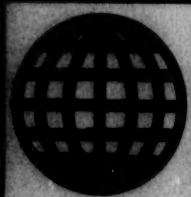


9 April 1994



FOREIGN
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JPRS Report

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Articles Call for Protection of Peasants

Ease Financial Burdens

94CM0187A Beijing ZHONGGUO QINGNIAN
BAO in Chinese 27 Jan 94 p 6

[Article by Wen Wei (7186 3555): "Speak Up for the Peasants"]

[Text] Easing the peasants' burden has been an important part of rural work since last year.

Subsequent to the introduction of the State Council's "Provision on Managing the Peasants' Share of Expenses and Services," the abolition of 37 fund gathering, foundation, and fee collection programs was announced on 20 June. It was an important new measure, but in its actual implementation, are the localities doing what they please?

Deceiving Those Above and Below—Jacking Up the Per Capita Net Income

When a county in the western part of the central Shaanxi plains reported its per capita net income last year, the county statistics bureau compiled the figures submitted by the towns and townships and let the leader in charge of the bureau review the numbers before submitting them to the city. When the manager saw that the per capita net income was only 570 yuan, he thought it was far too low and immediately met with several deputy county heads to reach a consensus: "We have worked hard for the last year, and we have so little to show for. It won't do." In fact these people only had their own promotions in mind. The county chief who was in charge of agriculture summoned the head of the statistics bureau to the county government office and eventually changed the per capita net income to 590 yuan, and the number was then sent to the city. The city statistics bureau noticed that the per capita income of the people in a village in the mountains in a certain town was only 176 yuan. They worried that it might drag down the whole city's per capita income, and so the manager immediately called up the county statistics bureau which got in touch with the town statistician who said that the number had been reported by the town. The county statistics bureau later took it upon itself to change the per capita income to 340 yuan. The whole county's per capita net income was raised by 20 yuan, and based on the rule that the peasant's burden may not exceed 5 percent of the per capita income of the previous year, the county was taking away 1 yuan from every peasant. The county claimed that the peasant's share was only a little more than 4 percent, but in fact it was 9 percent.

Relevant data show that counties tempering with the per capita net income figures is a nationwide practice; it is only a matter of how far each would go.

Rural Electricity Prices Turn Somersaults

Walk around any village and mention electricity price and you will see how angry the peasant can get. They are very unhappy with the "electric tiger." Study shows that electricity prices differ among the 21 towns and townships and 250 villages in one county, and none is complying the current state-set price. Some charge more than three times the state-set rate; their receipts come in all shapes, colors, and forms.

From data provided by the electricity department, one learns that electricity rate for lighting is a three-tier system: low, normal, and peak rates which translate to 0.129 yuan per degree, 0.257 yuan per degree, and 0.386 yuan per degree respectively. Motive electricity generally cost 0.207 yuan per degree. When I checked the receipts of the 312 electricity customers I visited in the county, I found most were standard invoices used in the cities and a few were town- and village-level invoices; some were blank slips.

The Chen family in Group 3 of Miganqiao Village in a certain township owns an electric oven (with two-phase motor.) When the electrician collects the bill, he adds the amount of electricity consumed by the oven to the bill. That household's monthly electric bill comes to an average of 50 yuan. The Sunjiabao Village in a certain township makes its own electric bills and charges as much as 0.70 yuan per degree, which shocks most people. Two villages in another town issues blank slips and charges 0.30 all the way up to 0.60 yuan per degree. Some peasant families have to make do with oil lamps.

Some village group cadres pay little or nothing for electricity. This has become a common practice. This is because village-level cadres can hire and fire electricians at will. Those who obey the village cadres, who do special favors for the cadres' families, and who do not charge the cadres will get the jobs, and so the electricians collaborate and add the cadres' household electric bills onto the other villagers' bills and even raise the charges as they please to let the cadres reap a profit.

Improper Apportionment Still Runs Rampant

Today, when the leading cadres go out, they want to show off. They want fancy cars, the best-selling cars. They get money by hook or by crook so that they can buy cars. They use bank loans to buy cars; they spend official administrative funds on cars. Despite specific regulations handed down by the State Council regarding the grades of cars they can buy, everybody, regardless of rank, is buying a SANTANA.

A certain township has a new "Beijing" jeep. In June of this year, it appropriated 20,000 from each township-affiliated enterprise, and without getting permission from the purchase-control office, they bought a SANTANA. A few days later, the county financial bureau sent

someone down to investigate. The township leader wine and dined him and paid a fine. An illegal car was thus legalized. The year's jeep is to be used by the county leaders when they go to the villages, and the new SANTANA is for use when they go to town.

Today, reportedly, the township party committee secretary is rewarded for the clever apportionment and is put to work in high places by the county leadership.

Appropriating money from township enterprises in fact is adding to the peasants' burdens.

Some Thoughts on Easing the Burden

Since the 1980's, the Party Central Committee and the State Council have paid special attention to the issue of the peasants' burden. They have always made protecting the peasants' interests the most important starting point of their rural work. They have promulgated a series of policies and measures which have played a definite role in easing the peasants' burden. But why is the cancer of heavy burden still here? The problem lies in the fact that some localities and departments are halfhearted in carrying out the policies; they move and then stop, and they distort the policies, or they just go through the motion of carrying out the policies.

One of the keys to reducing the peasants' burden lies in the hands of the leading departments at all levels, because many projects that add to the peasants' burden originate from these departments. If they do not have a sound and clear understanding of the problem of the peasants' heavy burden, if they do not begin to take effective measures, it would be difficult to solve the problem. To reduce the peasants' burden, there must be a set of laws and regulations which would severely punish those who impose heavy burdens on the peasants, so that the party's rural policy can be implemented smoothly and without obstacle. To ease the peasants' burden, all sides must work together and lend their support. Speeding up rural economic development and increasing the peasants' income are also necessary conditions for easing the peasants' burden.

Worries of Village Cadres

94CM0187B Beijing ZHONGGUO QINGNIAN
BAO in Chinese 27 Jan 94 p 6

[Article by Zhi Yan (4160 6056): "What Do the Village Branch Secretaries Dislike Most During New Year's?" The author is from Wuxian County's Changshu Town in Jiangsu Province's Suzhou City]

[Text] Chinese New Years will soon be here. When I asked the village branch secretaries how they were doing, they all said, "Things are tough."

Those who said New Years was a tough time fall into two categories. The first are those from villages with a fast-growing economy. The higher-level managing department leaders have become frequent visitors to these economically advance villages. If these were

normal relationships established in the course of work, one would see nothing wrong with them. The problem is, there are always some department leaders who want to bring home some native products or some handicrafts. That is taken to be the usual practice. To forge better relations, enhance friendship, and make things work smoothly, the villages naturally are eager to oblige and ready to give gifts on every visit. The village cadres have no choice but put on a happy face all day and be ready to socialize. It is very hard indeed.

In villages where the economy has been developing rapidly, the cadres are busy receiving and sending off guests at year-end; they can hardly handle the amount of socializing. But what about the poor villages? The village branch secretaries have just as difficult a time. Few high-level visitors bother to come, but many from below show up. Year after year, village cadres are owed wages. Those who understand are less of a problem, but those who don't understand simply walk away. The villagers come to get medical expense reimbursement for an only child; old people come in with the aid of walking sticks to collect their 40 yuan pension; there are electric bills, telephone bills, special allowances, and joint defense expenses; there are taxes and fees which they cannot afford to pay. Those who run the villages say that getting through New Years is harder than finding refuge from disasters.

Alas, cadres at all levels, please understand the village branch secretaries' problems. Go deep into the grass-roots level to solve practical problems. One should add flowers to the brocades—make perfection still more perfect, but it is even more important to provide charcoal in snowy weather—provide timely help.

Who Will Defend Me?

94CM0187C Beijing ZHONGGUO QINGNIAN
BAO in Chinese 27 Jan 94 p 6

[Letter to the editor entitled "To Whom Should I Tell My Troubles?"]

[Text] Comrade Editor,

My name is Zheng Meiling [6774 5019 3781]. I am a member of the Number 2 Brick Factory of Regiment 123, 7th Agricultural Division in Xinjiang's Kuitun. I have had little education. Since my divorce in 1988, I have been raising three children on my own. Last year, I planted more than 70 mu of cotton on the farm. After handing over the farm's share, I took home the remaining cotton and was going to sell it to Regiment 123's processing plant. On 17 November of last year, I rounded up several fellow villagers to load the cotton onto a cart. We packed more than 4,000 kilos of cotton and covered the cart with canvas. Night fell before the selling procedure was completed, so I left the cart in front of my house. I was afraid someone would steal the cotton, so I stayed up all night. That night someone came and dragged the cotton cart away. Someone told me that those people were from the local police station, because

they suspected that my cotton had belonged to someone else. I went after them to get my cart back. They said, "You must pay us a hundred yuan, hand over the cotton that don't belong to you, and pay us back the wages we had paid to the men who got the cotton, and then you can have the cotton back. We paid 100 yuan to hire that cart." I spent two days and went there four times. They said, "We have weighed your cart already and unloaded the cotton at the processing plant." I toiled for more than a month, running back and forth more than 20 times. My feet were badly frostbitten; I could hardly walk. During that period, I have gone to the leaders of the 14th Company to prove that I was a member of the brick factory, I had planted the cotton in the farm, and that I was living in the 14th Company's family compound. I have also gone to the farm's cadres. They said, "She has delivered her share. We told her to take the remaining cotton and sell them." But they still decided to fine me 500 yuan. At that time, they had not given me the ticket. On 16 December, I went to the police station to get the cotton ticket, the deputy chief told me to hand over 500 yuan. In my present condition, I can't come up with 20 yuan, let alone 500. I did not give him the money, and they would not give me the ticket, and without that ticket, I could not settle the account and get my money, and without money, my children and I would soon die. To borrow the 500 yuan, I ran around for two days. It was no easy task, but I got the 500 yuan and got the ticket, but it said I had delivered only 3,510 kilos. My big piece of canvas was gone too. Now my family owes people more than 10,000 yuan. We have no electrical appliances at home. There is only the four of us and three beds. I singlehandedly raise three students. The oldest is enrolled in the Bayi Agricultural College this year; number two is enrolled in Dongyin Petroleum College. Both are four-year, full-time college students. The youngest is in his third year of junior high. I depend on the cotton I plant to send them to school. The cotton was hard-earned! In the seven months from 17 April when I sowed the seeds until the time I picked the cotton, rain or shine and no matter how hot, I brought a steamed bun and a bottle of water, and at noon, I worked and ate at the same time. In July, one after another, my three children came home for vacation. Every morning, they came down to the farm at 8 o'clock and returned home at 3 o'clock and came down again at 5 o'clock and would not go home until 11 o'clock. They worked till school started again. They only took one day off. I am 42 years old. Just watering the land would take me several days and nights. All by myself, I picked the cotton, had it weighed, paid for it, and delivered it. We worked hard for a whole year and bought everything with our own sweat and blood, and in just one sentence, they fined me 500 yuan. The leader even said, "You got off easy with a 500-yuan fine. According to the regiment's regulations, your cotton should have been confiscated."

Comrade editor, tell me, whom should I tell my troubles to?

Cadres Question Policies

94CM0187D Beijing ZHONGGUO QINGNIAN BAO
in Chinese 27 Jan 94 p 6

[Letter to the editor by Xiang Gan (3276 1626): "What Do the Village Cadres Want?"]

[Text] Comrade Editor:

We village cadres come into contact with the tail-end of the party's and the state's policies, principles, and lines, and we are the ones who faithfully carry out the party's rural policies. It is our obligation to serve the people. But these days, many of the rural tasks really bewilder and puzzle us.

First, there is family planning. Family planning is the nation's fundamental policy; but to us, it is the most difficult task on earth.

Second, we have to collect grain payment and taxes. In the past, it was the crown grain and state taxes which no one could refuse. Last year, grain prices were decontrolled and the villages' unified apportionment and procurement responsibilities with regard to grains were rescinded. But this year, our superiors have forced us to get money and grain from the peasants based on their past apportionment and procurement responsibilities; otherwise they would refuse to pay wages. In the past, agricultural tax could be offset by grain payment, but today, grain prices are higher than the agricultural tax—generally the difference is 5 yuan per dan. If the peasants pay all of their agricultural tax but do not deliver some grain for the remaining apportionment and procurement responsibilities, they must pay 5 yuan per dan to cover the price difference. Most of their money is handed over to the grain stations, and the peasants do not even get a piece of paper as receipt. We feel that we are the "bandits" and are in turn "robbed." Even though we do not want to be "bandits," the peasants have no choice but to look at us coldly with frowning brows.

Third, we have to make the peasants buy insurance. Our wages were docked last December and we still have not been paid. This is because we have not completed the insurance tasks that were assigned to us. According to our assignment, each peasant must pay the insurance companies 10 yuan for insurance. In the remote and poor countryside, this is indeed a task we cannot accomplish.

Fourth, our superiors come to check on us: When the leaders come, they eat, drink, and have a good time. Afterwards, they sometimes even want us to pay them wages.

Fifth, the public security bureaus and local police stations send people to the homes of criminal elements to collect fines. Thousands and thousands have been collected, but there is not a single receipt.

Faced with poverty and corruption, what should we do? What are the responsibilities of the county, district, and village cadres? How do we do our jobs? We would appreciate the public's comments.

Editor's Note

94CM0187E Beijing ZHONGGUO QINGNIAN
BAO in Chinese 27 Jan 94 p 6

[Editorial note in column entitled "Forget Not the Village Elders and Town Folks"]

[Text] Editorial Note: The Party Central Committee and the State Council have issued orders again and again to reduce the peasants' burdens. Today, the focus of rural

work is on accelerating rural economic development and increasing the peasants' income. Now that the masses of peasants are warmly clothed and well-fed, income has become the issue of greatest concern to them. To prompt society to pay more attention to the rural areas, we have compiled some letters and essays from the rural areas. On the one hand, they reflect some of the poor conditions in the rural areas, and on the other hand, we urge comrades who have contact with the peasants and the villages not to further add to the peasants' burden by artificial means.

PROVINCIAL

Jiangsu 1993 Statistical Communique

94CE0351A Nanjing XINHUA RIBAO in Chinese
21 Feb 94 p 8

[Report: "Statistical Communique by Jiangsu Statistical Bureau on Jiangsu's National Economic and Social Developments in 1993"]

[Text] In 1993, the people of Jiangsu Province, under the correct leadership of the Jiangsu party committee and government, conscientiously acted in the spirit of Deng Xiaoping's important speeches on his inspection of southern China and of the 14th CPC Congress, by freeing up our thinking, seizing opportunities, and pushing forward resolutely with reform and opening. We tightened and improved our macroeconomic regulation and control, explored boldly, and worked genuinely and solidly, continuing to maintain our rapid national economic growth momentum, and achieving new successes in all causes. Our preliminary estimates for Jiangsu in 1993 are that our GDP reached 255 billion yuan, up 18.5 percent from 1992, including value added in tertiary industries of 62.3 billion yuan, up 20.3 percent, to make up 24.4 percent of our GDP. We doubled our GNP for the second time seven years ahead of schedule, laying a solid foundation for tripling Jiangsu's GNP by the end of the century. But certain noteworthy problems and conflicts still exist in our economic development, with

market prices up considerably, our economic structure still not rational enough, our rural foundation remaining relatively weak, and some state enterprises experiencing more production and operating problems.

I. Agriculture

In 1993, governments at all levels throughout Jiangsu vigorously implemented all Party Central Committee and State Council policy measures on strengthening agriculture and protecting peasant production initiative by paying attention to more investment in agriculture, which brought quite evident results. We conquered severe natural disasters in agricultural production throughout Jiangsu to reap better harvests. Our value added in agriculture for 1993 was 42.184 billion yuan, up 4.2 percent from 1992, to make up 16.6 percent of our GDP. This included value added in farming of 27.927 billion yuan, down 2.9 percent from 1992, in forestry of 809 million yuan, up 13.3 percent from 1992, in livestock raising of 7.64 billion yuan, up 1.9 percent from 1992, and in fishery of 5.809 billion yuan, up 29.7 percent from 1992.

Our agricultural output grew steadily, with considerable growth in specialty cultivation and breeding. As to staple farm products, we basically maintained our grain and edible oil output at about the level of our 1992 bumper harvests, with cotton output down nearly 20 percent due to less cultivated area and considerable disaster damage, but output of cash crops, such as sugar, hemp, fruit, and vegetables, all up to varying degrees from 1992.

Staple Farm-Product Output

Product	1993	Percent Growth from 1992
Grain	32.797 Million Tons	-1.2
Including:		
Cereal Grain	308,011 Million Tons	-2.5
Soybeans	559,200 Tons	45.1
Potatoes (Fresh)	5,048 Million Tons	9.1
Cotton	429,000 Tons	-18.7
Edible Oils	1.2571 Million Tons	-1.3
Including: Rapeseed	870,400 Tons	-9.2
Sugar	331,700 Tons	33.8
Tobacco	4,200 Tons	-60.0
Hemp	16,700 Tons	25.6
Silkworm Cocoons	172,300 Tons	18.0
Tea	15,100 Tons	7.1
Fruit	712,600 Tons	25.9

We continued to optimize our cultivation structure. Impacted by market demand and the law of value, our crop structure throughout Jiangsu developed in the direction of high quality and efficiency. Our soybeans, potatoes, and food grains other than wheat and rice (including corn) area reached 22.0434 million mu, up 1.5345 million mu from 1992.

We achieved new successes in forestry production and development and in greening work. In 1993, Jiangsu's afforested area reached 379,900 mu, up 81,800 mu, or 27.4 percent, from 1992.

Our livestock industry output continued to grow.

Staple Livestock-Product Output and Livestock-Onhand Headcount

Product	1993	Percent Growth from 1992
Pork, Beef, and Mutton	1.7923 Million Tons	4.0
Including: Beef and Mutton	135,500 Tons	17.9
Milk	112,100 Tons	-2.9
Meat-Hog Out-of-Pen Count	23.5464 Million Head	4.8
Year-End Hog Count	19.4694 Million Head	-1.1
Year-End Sheep Count	9.7855 Million	12.0
Year-End Large-Livestock Count	1.004 Million Head	3.8
Eggs	1.3238 Million Tons	18.5

We set a new fishery-production record; our aquatic product output for the year was 1.5726 million tons, up 16.8 percent from 1992. This included freshwater product output of 1.1052 million tons, up 19.6 percent, and salt-water product output of 467,400 tons, up 10.5 percent.

We continued to adjust our agricultural structure. Our ratio of value added in forestry, livestock raising, fishery, and commodities produced by mixed peasant-household industrial operations throughout Jiangsu to our value added in agriculture reached 39.5 percent, up again from 1992's 36.6 percent.

We continued to improve our agricultural-production conditions. By the end of 1993, our overall farm-machinery power had reached 20.8175 million KW, up 3.3 percent from the end of 1992; we had 21,300 large and midsize tractors, up 2.9 percent; 735,200 small and hand tractors, up 1.5 percent; 18,100 trucks, up 11.7 percent; our agricultural irrigation and drainage machinery power had reached 5.0135 million KW, up 1.4 percent; our 1993 chemical-fertilizer usage (converted pure) had reached 2.4971 million tons, up 1.2 percent; our rural power usage had reached 16.92 billion KWh, up 15.5 percent. And we completed our annual plans for water-conservancy projects, such as Tai Hu and Huai He.

We continued to develop our rural economy. In 1993, township enterprises throughout Jiangsu emphasized size,

level, and quality, raising economic efficiency, and continuing to grow quickly while adjusting, with gross output value and all taxes and profits both up more than 50 percent from 1992. Jiangsu's nonfarm industrial economy in sectors, such as rural industry, construction, transportation, wholesale and retail trade, and food and drink, grew 65.5 percent from 1992, with its ratio of our rural economy up from 1992's 80.8 percent to 84.6 percent.

II. Industry and Building Construction

In 1993, all of Jiangsu pushed ahead actively with reform, by continuing to intensify our implementation of the "Regulations on Converting the Operating Forces of State-Owned Industrial Enterprises," further invigorating large- and medium-sized state enterprises, speeding up our pace of operating-force conversion and organizational-structure adjustment, and working to sustain our fast growth of industrial output based on an optimized structure and improved efficiency. Our 1993 value added in industry was 136.535 billion yuan, up 23.1 percent from 1992, to make up 53.5 percent of our GDP.

Our heavy industry grew faster than our light industry. Jiangsu's 1993 value added in light industry reached 62.615 billion yuan, up 20.9 percent from 1992; in heavy industry it reached 73.92 billion yuan, up 25 percent. Our outputs of key manufactured goods all grew to varying degrees.

Key Manufactured-Goods Output

Goods	1993	Percent Growth from 1992
Yarn	658,800 Tons	17.9
Cloth	2.782 Billion m	-4.2
Woolen Goods	84.2367 Million m	-27.7
Machine-Made Paper and Cardboard	888,200 Tons	0.1
Crude Salt	2.4974 Million Tons	2.0
Synthetic Detergent	167,500 Tons	6.8
Household Washing Machines	545,500	90.1
Household Refrigerators	178,800	8.1
Electric Fans	9.4208 Million	-13.1
TVs	5.1219 Sets	-15.1
Including: Color TVs	1.6953 Million Sets	0.1

Key Manufactured-Goods Output (Continued)

Goods	1993	Percent Growth from 1992
Raw Coal	25.0576 Million Tons	2.0
Crude Oil	862,100 Tons	-5.9
Refined Crude	9.1404 Million Tons	2.1
Power Production	51.283 Billion KWh	6.6
Steel	3.1229 Million Tons	15.3
Finished Rolled Steel	4.7679 Million Tons	23.0
Pig Iron	1.779 Million Tons	8.4
Cement	27.3361 Million Tons	20.1
Plate Glass	4.8687 Million Weight Boxes	28.4
Sulphuric Acid	1.3336 Million Tons	-4.9
Soda Ash	492,900 Tons	29.1
Caustic Soda	399,800 Tons	5.6
Power-Generation Equipment (Over 500 KW)	632,700 KW	95.0
Metal-Cutting Machine Tools	35,600 Sets	28.1
Motor Vehicles	124,400	23.2
Tractors (Large and Midsize)	1,100	-38.9
Chemical Fertilizer (Converted 100 Percent)	1.3261 Million Tons	-8.3
Chemical Pesticides	60,600 Tons	11.8
Chemical Fibers	613,400 Tons	11.3

We clearly improved our industrial economic efficiency. In 1993, our composite index of economic efficiency for independently accounted industrial enterprises at the township level and above throughout Jiangsu was up from 1992's 89.30 to 99.34. This included a rate of profit and tax on capital fund of 10.58 percent; a working-capital turnover frequency up from 1992's 2.04 to 2.21; an overall labor productivity rate (calculated at value added) up 43 percent from 1992. Our gross profits and taxes from industrial enterprises at the township level and above reached 32.55 billion yuan, up 31 percent from 1992. We better dovetailed production with sales, with our production-sales rate for industry above the township level up from 1992's 93.67 percent to 95.3 percent. But while we further raised our power use efficiency, with our overall power usage per 10,000 yuan output value for urban industrial enterprises down 14.71 percent, too many funds remained tied up in finished products, leaving the losses of some enterprises still needing improvement.

Production in our building construction industry grew quickly. In 1993, building trades throughout Jiangsu steadily intensified reform, with building construction enterprises maintaining rapid production growth. Our 1993 value added in the construction industry reached 13.989 billion yuan, up 23.6 percent from 1992, to make up 5.5 percent of our GDP. Our state-owned construction enterprises raised their overall labor productivity rate 30.7 percent from 1992; our housing construction completed area reached 3.912 million sq m, up 6.1 percent. We also improved our building-product quality somewhat.

III. Fixed Assets Investment

In 1993, in our fixed assets investment throughout Jiangsu, we paid attention to improving our structure, emphasizing and ensuring priorities, and increasing our stamina for sustained economic growth. Our fixed assets investment throughout Jiangsu was 107.488 billion yuan, up 51 percent from 1992, including a state-unit investment of 45.869 billion yuan, up 59.3 percent, an urban collective-unit investment of 10.028 billion yuan, up 81.6 percent, a rural collective investment of 33.2 billion yuan, up 50.3 percent, and an urban and rural individual investment of 18.391 billion yuan, up 24.7 percent. In 1993, we had 7,591 projects in process by state units in capital construction and upgrading, down 841 from 1992.

As to our state-unit investment, our capital-construction investment was 20.949 billion yuan, up 34.4 percent from 1992, our upgrading investment was 14.139 billion yuan, up 50.8 percent, and our commercial-housing-construction investment was 9.909 billion yuan, up 230 percent. Our central-project investment was 8.418 billion yuan, up 20.1 percent from 1992, and our local-project investment was 37.452 billion yuan, up 71.9 percent.

As to our upgrading investment, in adding product varieties, raising product quality, conserving energy, and controlling the three wastes, we invested 4.209 billion yuan, up 31.1 percent from 1992.

We further optimized our investment structure. As to state-unit investment, our tertiary-industry investment was 26.223 billion yuan, up nearly 100 percent, with its proportion up from 1992's 46.1 percent to 57.1 percent, including investment in communications, transportation, and post and telecommunications of 6.773 billion yuan, up 59.3 percent; and in culture, education, public health, and broadcasting of 1.629 billion yuan, up 35.1 percent. Our power-industry investment was 4.516 billion yuan, up 8.3 percent. Our raw-materials-industry investment was 4.018 billion yuan, up 23 percent, and our agricultural investment was 649 million yuan, up 47.4 percent from 1992.

We made great progress in building priority-infrastructure and basic-industry projects. Work is fully underway on the Shanghai-Nanjing expressway, the Nanjing-Lianyungang and Nanjing-Nantong primary highway construction, and along the Grand Canal in southern Jiangsu, with the early-stage construction in smooth progress on priority projects, such as the new Nanjing airport and the highway bridge over the Chang Jiang at Jiangyin, and the upgrading and expansion of the Yancheng-Nantong section of National Highway \$204, the construction of the Nantong and the Gao-liangjian (ship) locks, and the first and second stages of the upgrading of the southern Jiangsu highway network all completed on schedule. Our investment in 84 inprocess large and midsize capital construction and above-quota upgrading projects throughout Jiangsu was 6.6 billion yuan, just about our annual plan. We completed and put into operation in 1993 10 large- and medium-sized capital-construction projects, as well as four above-quota upgrading ones.

The priority projects or units that we wholly or partially completed and put into operation were mainly ones, such as the Wuxi Ligang Power Corporation, the Wuxi Enzyme Preparation Plant, the Changzhou Qishuyan Power Plant, the Zhangjiagang Harbor Construction, the Changshu Power Plant, the Nantong Airport Construction Project, the Nantong Port Authority Harbor Construction, the Huaneng Huaiyin Power Plant, the Zhenjiang Port Construction, the Nanjing Gu'nandu Hotel, the second stage of the Suzhou Gas Project, the Suzhou Sulun Plant, and the Nantong Composite Materials Plant.

Our newly added key production capacity was generators with an installed capacity of 1.7 million KW and ports with an annual handling capacity of 9.64 million tons. Meanwhile, we built new service facilities, such as civil aviation facilities and tourist hotels, giving us complete sets of facilities to develop an externally oriented economy, and increasing our service capability.

IV. Transportation, and Post and Telecommunications

In 1993, Jiangsu maintained overall production growth in communications, transportation, and post and telecommunications, completing a value added in 1993 of 11.98 billion yuan, up 17.7 percent from 1992, to make up 4.7 percent of our GDP. But conflicts remained

between our transportation and post and telecommunications and our overall economic and social development needs.

Our communications and transportation production grew steadily. We completed a value added in 1993 of 10.223 billion yuan, up 12.2 percent from 1992, to make up 4 percent of our GDP. Both our cargo and passenger turnover for 1993 through all means of transportation were up somewhat from 1992.

All Transport Volume

Category	1993	Percent Growth from 1992
Cargo Turnover	130.547 Billion Ton Km	23.8
Railway	34.649 Billion Ton Km	3.8
Highway	23.507 Billion Ton Km	30.7
Water Transport	68.963 Billion Ton Km	37.3
Pipeline	3.428 Billion Ton Km	-9.0
Passenger Turnover	59.785 Billion Passenger-Km	16.0
Rail	16.136 Billion P-Km	9.4
Road	42.93 Billion P-Km	18.8
Water	719 Million P-Km	14.4
Port Cargo Handling Capacity	195.48 Million Tons	2.2

We speeded up our post and telecommunications industry growth. Our value added for 1993 was 1.757 billion yuan, up 63.9 percent from 1992, with a post and telecommunications gross business turnover of 3.443 billion yuan, up 68.8 percent, and a business income of 2.315 billion yuan, up 54.58 percent. We added in 1993 a new computerized-telephone installed-capacity of 843,000 urban phones and 445,100 rural phones, ranking us second to Guangdong in having an urban and rural telephone exchange capacity of over 2 million phones. All of our county seats have computerized phones. We completed ahead of schedule the Beijing-Jinan-Nanjing fiberoptic cable transmission artery and the Shanghai-Nanjing electric cable capacity-expansion projects. Our services, such as telephone fax and express transmission, also grew very quickly, with wireless search-and-call customers reaching 289,800, more than triple that of 1992, with mobile communications spreading throughout Jiangsu.

V. Domestic Commerce and Market Prices

In 1993, we brought the role of market forces into full play at all levels throughout Jiangsu, stimulating circulation sharply, giving us abundant market goods supplies and brisk buying and selling, and maintaining a basic overall stable consumer goods market order. Our 1993

retail commodity sales were 107.427 billion yuan, up 33.9 percent from 1992, (for real growth of 16 percent corrected for inflation). This included retail sales of consumer goods to residents at 85.078 billion yuan, up 36.1 percent, retail sales of consumer goods to social groups at 11.699 billion yuan, up 47.4 percent, and retail sales of agricultural capital goods at 10.65 billion yuan, up 8.6 percent.

In our retail consumer-goods sales, urban retail sales were 54.019 billion yuan, up 48.2 percent from 1992, with retail sales at the county level and below at 42.758 billion yuan, up 25.7 percent.

All retail sales of consumer goods for industries in all economic categories grew. This included retail sales for the state-owned economy of 33.251 billion yuan, up 28.7 percent, for the collective economy of 34.172 billion yuan, up 31.2 percent, and for the individual economy of 15.804 billion yuan, up 41.5 percent.

Of all key consumer goods, retail commercial sales were up 7.3 percent for edible vegetable oils, 23.4 percent for

sugar, 2.1 percent for woolen goods, 26 percent for silk and satin, 14.5 percent for all clothing, 64.3 percent for color TVs, 61.3 percent for VCRs, 44.7 percent for washing machines, and 55 percent for household refrigerators, with varying degrees of growth also for all other durable consumer goods, such as home air conditioners. Buying and selling were brisk for capital goods markets. In 1993, commodity circulation enterprises throughout Jiangsu bought capital goods worth 108.15 billion yuan, up 47.9 percent from 1992, with sales of 109.18 billion yuan, up 43.7 percent. This included sales of 43.72 million tons of coal, 10.3 million tons of rolled steel, 3.48 million tons of cement, and 75,000 motor vehicles.

In 1993, we took larger price-reform steps, smoothly deregulating grain and edible oil buying and selling prices, raising cotton-purchasing prices, and deregulating and adjusting the prices of a group of basic products, such as coal, power, and oil, to increase their market-regulation ratio. Retail prices rose 15.4 percent in 1993, quite a lot, including retail price rises of 16.6 percent in the cities and 14 percent in the countryside.

All Price Indexes (Compared to 1992)

1. Cost-of Living Price Index	118.2
Including:	
Urban	118.7
Rural	117.3
2. Retail Price Index	115.4
Including:	
Consumer Goods	115.9
A. Food	116.6
Grain	139.0
Edible Vegetable Oil	119.3
B. Clothing	111.9
C. Articles of Everyday Use	108.8
D. Cultural and Recreational Articles	100.5
E. Books, Newspapers, and Magazines	102.6
F. Drugs and Medicines	108.7
G. Building Construction and Interior Decoration Materials	132.9
H. Fuels	151.2
Agricultural Capital Goods	111.7
3. Service Price Index	143.6
Including:	
Urban	140.2
Rural	150.8
4. Energy and Raw Materials Purchase Price Index	125.7
5. Fixed Assets Investment Price Index	138.8
6. Farm and Sideline Product Purchase Price Index	114.8

VI. External Economy

In 1993, Jiangsu further opened up new development space, continuing to open up further to the outside world, maintaining the vigorous growth momentum of our externally-oriented economy, and actively advancing it from south to north.

Our foreign trade grew steadily. Our 1993 foreign trade turnover reached \$8.7 billion, up 39.2 percent from 1992, including exports of \$5.959 billion, up 27.6 percent, and imports of \$2.741 billion, up 73.4 percent. We further optimized our export structure, with exports of finished manufactured goods up somewhat. FIE exports were \$2.269 billion, up 73.6 percent from 1992, with their percentage of Jiangsu exports up to 38.1 percent.

We further increased our use of foreign investment. In 1993, 10,289 new agreements on the use of foreign investment were signed throughout Jiangsu, for an agreed foreign investment of \$10.11 billion, up respectively 24.3 percent and 29.7 percent from 1992. We approved 10,032 new FIEs in 1993, for a contracted foreign investment of \$10.056 billion, up respectively 22.4 percent and 30.8 percent from 1992. Jiangsu actually used \$3.287 billion in foreign investment in 1993, up 90.9 percent from 1992, including an actual foreign investment of \$3.002 billion, up 114 percent. Foreign investment in Jiangsu increased in size, at a higher level, with more large projects, and beginning to involve fields, such as energy, communications, basic industry, high technology, and tertiary industries.

Our foreign economic and technical exchanges and cooperation expanded rapidly. In 1993, Jiangsu signed 418 new foreign contracting and service cooperation projects, 155 more than in 1992, for a contracted amount of \$332 million, up 52.9 percent, and our actual business volume was \$259 million, up 76.5 percent. We approved 210 new overseas nontrade enterprises, with 368 having been approved by the end of 1993.

Our international tourism was increasingly prosperous. In 1993, Jiangsu received 792,200 visits by overseas travellers for tourism, sightseeing, interviews, and other activities, including 455,200 visits by foreigners, up 22 percent from 1992. Our tourism foreign exchange earnings were 741 million yuan (in foreign-exchange certificates [FECs]), up 21.5 percent from 1992.

VII. Finance, Banking, and Insurance

In 1993, Jiangsu's revenues were better. Our 1993 revenue was 22.13 billion yuan, up 45.3 percent from 1992, for a record increase. This included industrial and commercial tax revenue of 21.273 billion yuan, up 54.4 percent from 1992, with our tax revenue involving foreigners up 125.8 percent. Our spending was 16.258 billion yuan, up 29.2 percent.

Our banking situation stabilized gradually. In 1993, financial institutions throughout Jiangsu vigorously organized all deposits, so that by year's end, we had a

deposit balance of 179.733 billion yuan, up 36.934 billion yuan from the beginning of the year, and a loan balance of 177.78 billion yuan, up 28.916 billion yuan from the beginning of the year. We continued to maintain our deposit increase higher than our loan increase, with net currency put into circulation in 1993 at 11.601 billion yuan, up 2.285 billion yuan from 1992.

Our insurance business grew rapidly. In 1993, the People's Insurance Company system throughout Jiangsu insured 525.76 billion yuan in domestic assets, up 39.1 percent from 1992. Jiangsu had 64,000 enterprises covered by enterprise property insurance, 10.25 million residents covered by family property insurance, and 18.497 million people covered by personal insurance. Our insurance companies handled 345,000 domestic property insurance settlements, paying out compensation of 720 million yuan, and paying out 320 million yuan in personal insurance compensation to 103,000 people.

VIII. Science, Education, Culture, Public Health, and Sports

We achieved new S&T successes. In 1993, we won 368 provincial-level S&T-progress awards, including three #1 awards, 28 #2 awards, 126 #3 awards, and 211 #4 awards. At the national level, we won one invention-award, three S&T-progress awards, and six Spark awards.

We authorized more patents. In 1993, Jiangsu had 4,170 patent applications, with 3,757 being authorized, up 80.1 percent from 1992.

We expanded our S&T ranks. Local state enterprises and institutions throughout Jiangsu had 1.2133 million specialized technicians of all types, up 5.1 percent from 1992.

We continued to increase our average education. In 1993, Jiangsu enrolled 3,000 graduate students, up 600 from 1992. Our general institutions of higher learning enrolled 68,500 undergraduates, with 180,200 students in school, up 27,500 from 1992. Our intermediate specialized technical schools of all types had 191,800 students in attendance, up 42,400 from 1992. Our vocational senior high schools had 220,800 students, or 52.1 percent of Jiangsu's general senior high school students. We had 2.9398 million general high school students, and 5.9494 million grade school students, with an entrance rate for grade-school-age children of 99.5 percent. In 1993, another 28 counties (cities, districts) and 420 townships throughout Jiangsu fully implemented 9-year compulsory education. By the end of 1993, 59 counties (cities, districts) and 1,227 townships throughout Jiangsu were fully practicing nine-year compulsory education, for a population coverage rate of 56.8 percent, up 20 points from 1992. Meanwhile, we also made some developments in preschool education and in special-ed for low-intelligence and disabled children.

We continued to reinforce our adult education. In 1993, we enrolled 38,900 adults as college undergraduates, with 84,800 in college, up 18,000 from 1992, and had 135,200 adults in intermediate vocational schools, up 31,800 from 1992, and 762,100 adults in intermediate and primary schools. We eliminated illiteracy in 1993 for 565,000 youths and adults in the prime of life (ages 30-50).

We continued to expand our cultural enterprise. By the end of 1993, Jiangsu had 136 arts performance troupes, 110 cultural centers, 93 public libraries, 66 museums, 20 radio stations, one short-wave broadcast and relay station, and 38 TV stations. We had 147 TV broadcast and relay stations, and 4,358 film-projection units. In 1993, we printed 1.177 billion newspapers, published 59.83 million magazines of all types, and published 3,722 books.

We further developed our public health enterprise. By the end of 1993, Jiangsu had 12,074 public health organs of all types, 207 less than in 1992, with 173,300 sickbeds, including 152,900 hospital beds, up 2,200 from 1992. We had 234,400 specialized health technicians, up 2.4 percent from 1992, including 106,300 doctors, up 1.9 percent, and 59,900 nurses and nursing teachers, up 4 percent. Jiangsu had 261 sanitation and antiepidemic stations and professional prevention and treatment organs, with 8,749 personnel, up 5.4 percent from 1992.

We achieved new sports successes. In the Seventh National Games, Jiangsu athletes won 20 gold medals, 16 silvers, and 17 bronzes, with seven breaking 15 Asian records 26 times, nine breaking 17 national records 28 times, and the Jiangsu team ranking sixth in the nation. In major international competitions, seven Jiangsu athletes won nine world championships, with five setting six Asian records and breaking three world records 18 times. It is estimated that 95.02 percent of our school-age students in schools of all types at all levels throughout Jiangsu reached international physical-education training standards.

IX. Population and Living Standards

We continued to control our population-growth rate. Based on a sampling of 1993 population changes, Jiangsu's birthrate was down from 1992's 1.571 percent to 1.397 percent, with our deathrate down from 0.676 percent to 0.661 percent, and our natural growth rate down from 0.895 percent to 0.736 percent. Projecting from this, by the end of 1993, Jiangsu's permanent population was 69.6727 million, up 560,700 from the end of 1992.

Our urban and rural incomes continued to grow. Based on a sampling for 1993, our urban cost-of-living income averaged 2,526 yuan, up 30.4 percent from 1992 or, corrected for inflation, up a real 10.2 percent. Our rural net income averaged 1,267 yuan, up 19.4 percent or, corrected for inflation, up a real 3 percent.

We steadily intensified our labor reforms. In 1993, we had 206,400 new urban jobs throughout Jiangsu, with a year-end urban unemployment rate of 2 percent. Our contract-system employees reached 2.6 million, or 28.4 percent of all urban employees. Jiangsu had 5.9308 million employees and 1.2406 million retirees covered by overall old-age insurance. By year's end, our urban workers numbered 9.113 million, up 72,100 from the end of 1992, with urban private-enterprise and self-employed workers numbering 359,600, up more than 120,000.

Our employee wages also increased. In 1993, Jiangsu's payroll was 32.15 billion yuan, up 27.8 percent from 1992, with employee wages averaging 3,544 yuan, up 26.6 percent or, corrected for inflation, up a real 6.6 percent.

Our urban and rural savings continued to grow. In 1993, our residents' savings deposit balance reached 96.422 billion yuan, up 19.175 billion yuan from the end of 1992, or 25.7 percent. Purchases of all types of securities also increased clearly.

We further improved our urban and rural housing conditions. By the end of 1993, our housing space for urban residents (including living and auxiliary space) averaged 14.63 sq m, up 0.27 sq m from the end of 1992, and our peasant housing space averaged 24.53 sq m, up 0.96 sq m from the end of 1992.

We further intensified our environmental protection cause. In 1993, Jiangsu had 4,530 employees in our environmental protection system, 101 environmental monitoring stations of all types, 16 national and provincial nature-protection zones, three national-forest parks, and 379 environmental-pollution control projects completed in 1993 with an investment of 125 million yuan. By the end of 1993, we had established 867.27 sq km of smoke and dust control zones, and 264.91 sq km with environmental noise standards.

Notes:

1. This communique's GDPs and all industrial value-added indexes were calculated at prevailing prices, with growth rates calculated at comparable prices.
2. GDPs and all industrial value-added include mainly worker remuneration, profits, taxes, and depreciation, not various intermediate consumption values, such as energy, raw materials, or the sum of material-product and service value that show the year's production that can be used for final consumption. The difference between GDP and GNP is mainly that the former does not include overseas net factor income, while the latter does.
3. The national S&T awards won by Jiangsu do not include those won by enterprises and institutions of state ministries and commissions in Jiangsu.

FINANCE, BANKING

Bright Outlook for Futures Market

94CE0363A Beijing ZHONGGUO WUZI BAO
in Chinese 14 Feb 94 p 4

[Article by Tian Yuan (3944 3293): "Bright Outlook for China's Futures Business"]

[Text] In the last decade of the 20th Century, one important achievement of the policy of opening and reform in China is that it has bred a brand new specialty—the futures business. This brand new specialty's emergence has promoted the development of China's market economy and is supplying a new channel for promoting the Chinese economy's merging and connecting with the world. For this reason, Dr. Tian Yuan, Chairman of the Board of the China International Futures Brokers Corporation Ltd., was fully confident of making the following suggestions:

As an investment instrument, futures must develop into a higher form

Since its establishment, the futures market has played several roles. On the one hand, it supplies the means for assuring value, while on the other hand, it is an available investment instrument. In Western financial markets, futures are as widely acknowledged and accepted as stocks. In comparison, futures operations are characterized by "gambling for big stakes with a small investment" making it a high risk investment instrument. As a high risk financial product, its possibly high return attracts a large group of investors, so in the futures market, besides the value assurers, there are quite a few investors who seek profits by engaging in "buy low, sell high" trading.

Someone analyzed the behavior of market participants by using statistics from the U.S. Commodities Futures Trading Commission, and concluded that there are three types of investors in markets, i.e., big value assurers, big speculators, and small speculators. If one is speaking just of the futures market's performance, there are several different situations besides the spot market. One specialist's comprehensive statistics proved that big value assurers suffer losses (they might make a profit in the spot market), big speculators gain profits, and small speculators usually lose money. Another specialist had a different conclusion, that is, that big value assurers make profits, big speculators neither make profits nor lose money, and small speculators lose money. From this we can see that no matter what the situation, small speculators are ultimately always in an unfavorable position. Precisely for this reason, the operating style of futures trading is undergoing an important change: to collect social investment capital by means of funds and managing accounts, etc., with the futures run by professional futures specialists; this is called "managing futures." Twenty years ago, the first U.S. share of managed futures sold for less than \$10,000. This has so far developed to \$26 billion, becoming an important force in the futures

markets which cannot be ignored. Looking at the situation in China, documents from all over show that while it is not the best investment means for entering the futures market by individual or single accounts, there should be encouragement for developing various types of futures funds and managed accounts, and gradual development of professional futures trading consultants. This would push futures investment trading from its current low level mode of operation to a more advanced one, and further promote the maturity of the futures industry.

Work to become the world futures trading center

The futures industry is a major industry in the world economy, and the futures market has major and long term impact on the international trading, international financial activity, and international information. Several years ago, China didn't play a role in the world futures markets community, which was inappropriate to the status of so large a country. China has one-fourth of the world's population, ranks number one in the world in grain output, number one in cotton output, number four in steel output, has all varieties of nonferrous metals and ranks number five in world output, has more than \$100 billion in imports and exports, and over \$40 billion in foreign currency reserves. Such a huge quantity of commodities, trade, and foreign currency demonstrates that the domestic futures markets have a great capacity in China, and internationalizing China's futures markets is an absolute possibility. In the last decade and more, since China has firmly implemented its policy of opening and reform, the scale of international trade has spread rapidly, and is an important media and bridge for bringing about the internationalization of China's futures markets. For China's corporations, a high volume of international trade activities can not only assure value in China's futures markets but also assure value in futures markets overseas. By getting foreign capital involved, it can export price "risks," just as the Chinese Insurance Corporation exports the risks of satellite launching, sharing the insurance with those overseas. If we look at the characteristics of changing the mix in an era of world economic competition, seizing the opportunity to rise in importance in the Asian-Pacific region, China's economic forces and huge domestic market potential provide abundant reasons to aim for the goal of developing futures markets. This goal should be: after vigorous development in the nineties, become the biggest commodity futures markets center in the Asian-Pacific region. With financial futures developed to a certain degree, it should form a tripartite balance of forces with Europe and America; the second step is aiming to become the world commodity futures trading center in the early 21st Century, and become the financial futures market center for the Asian-Pacific region.

If the above goals for China's futures markets are accomplished, it will have an important and deep influence on Chinese economic development. Looking at the domestic market, the entire spot markets and its pricing system will be remolded due to wild and active futures trading, forming a unified market price system. Futures

markets will become an internal stabilizer for China's economy, especially for its agricultural economy. It will play a major role in protecting agricultural development, the growth in farmers' income, grain circulation and processing, etc. The great deal of information and long term pricing signals supplied by the futures markets will effectively improve the government's ability to readjust macroeconomically, and significantly increase initiative in economic work. Looking at the situation worldwide, the experience of Chicago's futures market indicates that after China is established in a central position in world futures trading, a great deal of important information about the world economy and politics will be continuously, directly transmitted to China's economic system. China's futures trading will play an important role in the world economy as a kind of "magnetic pole"; this will help improve our international economic cooperation, international financial market, and our status and influence in international commodity trade, and will promote multiple facets of China's economic development.

Looking at the development practices and historical experience of the international futures industry, futures trading centers are not immutable. Historically, the futures industry originated in Europe, and blossomed in America. After World War II, Hong Kong, Singapore, and Japan in the Asian-Pacific region became new regional futures trading centers. The roots of this "phenomenon of changing centers" lies in the changing of economic powers. New arrivals in regional futures trading centers can not only develop their status as futures trading centers depending on the growth of their economic power, they can also take advantage of the "superiority of the up-and-coming." In Asia, the correct application of official power to prop up futures trading is also very important. For example, it took the United States about 70 years to develop and perfect its futures markets, but it took only two to three years to establish futures markets in both Hong Kong and Singapore. This was because the futures market model had developed to maturity, so much could be implanted, making it absolutely unnecessary to start out from scratch. We must understand and absorb these countries' and regions' experiences, encouraging bold innovation and exploration to meet the opportunities and challenges of China's futures industry.

Authorities Issue \$1 Billion in Bonds Worldwide

94CE0363B Beijing JINGJI CANKAO BAO in Chinese
14 Feb 94 p 3

[Article by correspondent Zhao Renfang (6392 0088 2455): "China Successfully Issues \$1 Billion in Bonds Worldwide; Wonderful Opportunity for International Low Interest Rate, Bright Future for Domestic Economy"]

[Text] New York Special Dispatch—On 2 February, the Chinese Government issued \$1 billion in bonds in the world's major bond markets, which sold out the same day. Relevant observers believe that this is further proof

that investors throughout the world are optimistic about the China market, and about the strongly emerging Chinese economy.

Jin Renqing [6855 0086 1987], Vice Minister of Finance, who came to New York from Beijing especially to attend the issuance, said that this "is the largest quantity of bonds issued by the Chinese Government in international capital markets to date. They were sold separately and simultaneously in Asian, European, and U.S. capital markets, with trading carried out over a 24 hour period."

In his introduction, Jin Renqing stated that the U.S. dollars amassed through the issue of these global bonds by the Finance Ministry as China's representative would be used to develop such fundamental facilities as transportation, energy, and telecommunications, etc., to ensure that China's economic development would have more staying power. Meanwhile, through issuing bonds, it was also letting world investors learn more about China, provide international investors with investment opportunities, and associate the Chinese economy more closely with that of the world. Specialists believe that the successful issuance of \$1 billion in global bonds proves that international investors have great interest in China's economic development and investing in China, and that they are fully confident of China's future.

The principal executive bank for the bond issuance is the well-known U.S. Merrill Lynch Securities Corporation. On the afternoon of the 3d, officials of China's Ministry of Finance and Merrill Lynch's people in charge of this business held a press conference in Merrill Lynch's New York headquarters. At the press conference, Merrill Lynch International's Chairman of the Board Winthrop Smith said that investors showed very strong interest in China's bonds, and he hoped by this cooperation to introduce more investment opportunities to the world, and bring closer the relationship between China's economy and world investment markets. Merrill Lynch Corporation announced that although the final figures were not in from the sole marketing group, 60 percent of the bonds the corporation was in charge of selling had been sold in the United States, 20 percent had been sold in Europe, and the remaining 20 percent in Asia.

It has been reported that at the end of 1992, China had a total of \$69.3 billion in foreign debts. Therefore, a correspondent asked whether rapid economic development and the arrival of a great deal of capital could possibly create such problems as inflation and an increasing burden of payments. Jin Renqing replied that the capital collected in this bonds issuance would be used to develop construction of fundamental facilities and resolve "bottlenecks" that are hindering economic development. So, issuing bonds will spur economic development but not cause inflation. According to international regulation, in general, a country's debt payment rate should be 20 percent, but China has kept this strictly within 15 percent, and the practical rate of payment is only 7.3 percent. Therefore, Jin Renqing stressed that it was absolutely no problem with China's debt payment

ability. Jin Renqing pointed out that the objectives of this bond issuance were: one, to amass capital for fundamental construction at lowest possible cost by taking advantage of the favorable opportunity presented by lower costs in the current international capital market; two, to publicize to the world by means of the world capital market China's achievements by reform and opening; and three, to set a standard line for Chinese financial organs going into the world's capital markets, especially the U.S. market.

On 4 February, Jin Renqing, as the representative Chinese authority, officially signed the sales agreement with Merrill Lynch Corporation for issuing \$1 billion in global bonds in the international capital market. The interest rate of the bonds is 6.5 percent yearly, with expiration in ten years.

China has been preparing for this successful issue for nearly one year. Last year, the Ministry of Finance invited the well-known U.S. Rating Corporation to rate China's authorized foreign debt credit, and the results showed that China had a very good reputation. Moody's Investor Service of the U.S. raised Chinese authorized foreign credit rating from the Baa1 level to the A3 level, while Feiji //phonetic// Corporation has rated China's authorized foreign debt credit as A-. All these paved the way for Chinese bonds to enter the European, Asian, and global market. In addition, before issuing the bonds, the

Ministry of Finance organized delegations to the international financial markets of Hong Kong, Tokyo, Singapore, Zurich, Frankfurt, London, Chicago and New York to carry out publicity activities and answer questions related to China's economy, politics, and international relations. This also had a definite effect on this successful bond issuance.

Before issuing the bonds, the Ministry of Finance had at one time or another issued in the European market Japanese Yen bonds worth 30 billion Japanese Yen, and had issued \$300 million in "dragon debts" in the Asian-Pacific region, and all were successful. Relevant persons expressed the view that China would in the future continue to vigorously and cautiously collect capital throughout the world in accordance with the demands of its economic development and construction and the conditions of international capital markets.

INDUSTRY

Feb. Statistics: Output of Main Chemical Products

HK1803115094 Beijing CEI Database
in English 18 Mar 94

[Text] Beijing (CEIS)—Following is a list of the output of main chemical products in February 1994, released by the State Statistical Bureau:

Item	Unit	2/94	2/93
Chemical fiber	10,000t	20.29	17.17
Sulphuric acid	10,000t	17.46	13.55
Dense nitric acid	10,000t	2.41	3.92
Soda ash	10,000t	48.55	40.19
Caustic soda	10,000t	29.37	28.78
Ethylene	10,000t	17.62	17.05
Calcium chloride	10,000t	20.47	19.20
Pure benzene	10,000t	7.23	6.38
Synthetic ammonia	10,000t	187.76	172.42
Chemical fertilizer	10,000t	171.61	155.28
(Nitrogen)	10,000t	134.45	120.57
(Phosphorous)	10,000t	35.40	45.56
(Potash)	10,000t	1.09	0.38
Chemical pesticide	10,000t	1.73	2.06
Paint	10,000t	5.38	8.14
Dyestuff	10,000t	1.06	1.44
Chinese patent medicines	10,000t	1.66	1.67
Tyre	10,000pc	396.42	499.31
Synthetic rubber	10,000t	4.80	3.25
Film	10,000m	955	1084
(Color film)	10,000m	861	1052
Plastics	10,000t	28.74	28.48

Notes: t - ton, pc - piece, m - meter

AGRICULTURE

1993 Feed Output, Outlook for 1994

94CE0337B Beijing ZHONGGUO NONGJIHUA BAO
in Chinese 19 Jan 94 p 3

[Article by Shao Jianbiao (6730 0494 1753); Jia Ming-sheng (6328 2494 3932): "This Year the Feed Industry Will Rise to a New Plateau"]

[Text] In 1993 with China's feed industry facing such difficulties as tight resources, rising prices, and a shortage of funds, it continued to maintain growth. Total production of mixed and blended feeds reached 40 million tons, a 5 percent increase over 1992.

According to a person in charge of the National Feed Industry Office, in 1993 China's feed industry production and sales had the following characteristics: First, although overall production rose, overall returns declined. Second, the greatest decline was in production and returns of commercial grain system feed enterprises. Their production share declined from 80 percent to 50 percent, but both the production and the returns of livestock-raising, aquatic-product, and small town, and individual enterprises, and "three kinds of foreign-invested enterprises," increased rather greatly. Third, the demand for feed for high-quality, high-grade fowl, fish, and special animals was vigorous and full price mixed feed's share of total production reached 80 percent. Fourth, the mix of feed products was further adjusted and the tendency toward serialized and standardized, and concentrated, and pre-mixed feeds increased by about 50 percent, respectively, over the year before last. Fifth, farmers' understanding of mixed feeds further improved.

Since reform and opening up, China's feed industry has developed very rapidly, the feed industry system has gradually improved, and it has become an important support to sustained rapid growth of the livestock industry. Because of the large-scale use of mixed and blended feeds, the remuneration from feed greatly increased. To produce only the same amount of livestock products, can save 8 million tons of feed grain annually throughout the nation. Despite this, there still are numerous problems currently in China's feed industry. The main ones are:

- 1) The supply of feed resources, especially protein resources, is tight and the prices have risen a great deal, greatly increasing feed costs, but the prices of feed products cannot keep pace, causing feed enterprise operations that formerly made only slight profits to experience losses, and economic results have generally declined.
- 2) Some large- and medium-sized state feed enterprises, faced with market competition, have been unable to convert their operating mechanisms in a

timely fashion. The enterprises lack vitality and production and economic returns simultaneously slide.

- 3) Macroeconomic controls are not strong and industry administration is weak. Because industry administrative departments lack the necessary administrative methods and rules and regulations, duplicate development, blind growth, and the existence of counterfeit and inferior goods are serious, seriously affecting the healthy development of the feed industry.

So, the National Feed Industry Office has explicitly proposed the guiding thought for 1994: Further intensify reform and rely on scientific and technical progress and improvement in product quality, adjustments in the industry and product mix to strive to attain a production volume of 42 million to 43 million tons for mixed and blended feed and an 85 percent share for full-price mixed feed. In the light of the current state of the industry, while enhancing industry administration and further improving standards, rules and regulations, and the service system regarding the feed industry, it is important to adopt the following measures:

1. Strictly control low-quality duplicate development. In areas where feed processing capacity essentially satisfies demand, generally do not set up new feed processing factories.
2. Progressively upgrade the technology of some processing enterprises. Plan to use four years and invest 2 billion yuan to upgrade technology for a 20 million ton feed processing capacity.
3. Speed up development of protein resources and feed additives, mainly: Using 300,000 tons of cotton and rapeseed cakes, 100,000 tons of feed yeast, 600 tons of vitamin A, 800 tons of vitamin E, 200 tons of vitamin B₂, and 25,000 tons of calcium hydrogen phosphate, and 10,000 tons of lysine, and setting up a 3 million mu soybean base for comprehensive use.
4. Speed up the conversion of scientific and technical achievements to productivity. In more than ten years of tackling scientific and technical problems, we have a large batch of scientific research results in such areas as feed resource exploitation and make up, and feed additives and we urgently need to organize the total area and expand its utilization. This year we will select a group from them and expand it to improve the overall technical level of the feed industry.
5. Continue to intensify surveys and research and more intensively research major problems that affect the development of the feed industry such as adjusting the import and export policy and the purchase and sales policy for feed resources and striving for various preferential policies and proposing adjustments in the mix of crops planted and expanding feed crop production.

Survey of Shift in Anhui's Surplus Rural Labor Force

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[Article by the Anhui Provincial Survey Group on Changes in the Rural Labor Force: "An Important Strategic Task That Impacts the Goal of Becoming Fairly Well-Off—A Survey and Some Thoughts on the Shift in Anhui's Surplus Rural Labor"]

[Text] *Editorial Note:* In the latter half of last year, leading comrades of the provincial party committee organized a fairly large-scale study of the shift in the rural labor force. We hereby publish an excerpt of the study report and hope that the localities and various departments will pay more attention to and spend more time exploring and studying this issue.

Between July and October 1993, we revolved around the goal of elevating the rural areas to the relatively well-off level by the end of the century and conducted a fairly large-scale, province-wide survey and study of the shift in the surplus rural labor force. The province organized three survey teams and selected Feidong, Mongcheng, and Xiuning to be representative counties in a prototypical survey, and at the same time, a general survey was conducted in 15 province-run departments, four prefectural cities, and 13 counties. Through this round of survey and study, we have basically sorted out the province's labor resource and its distribution, gained a thorough understanding of the important strategic impact of the accelerated shift in the surplus rural labor force on achieving the goal of making the rural areas relatively well-off, and have made a preliminary study of the basic approach and countermeasures to speed up the shift of the labor force.

I. Rural Socioeconomic Development's Natural Choice

Labor is the most active and the most important factor of production. Given the conditions of a socialist market economy, how to realize the optimal allocation of the rural labor resource in accordance with the market mechanisms and law of value and how to further liberate and develop the rural labor force is an important issue for today and well into the distant future. In particular, whether the large surplus rural labor force can be successfully shifted is an important strategic task that will determine whether the rural areas can become relatively well-off by the end of the century.

To become relatively well-off, the rural areas have many norms to satisfy, but the most fundamental is to substantially increase the peasants' income. Anhui is a major agricultural province. It has a total population of 58.17 million, 84.4 percent of which is rural population. It has 65 million mu in total farm area, averaging 1.33 mu per capita. In 1992, the province's rural population had a per capita net income of 575 yuan, and overall, everybody was basically well-fed and clothed, and some peasants have begun to advance toward the goal of becoming

fairly well-off. This means Anhui's rural socioeconomic development has entered a new phase, which is most encouraging. But we should also realize sobermindedly that in recent years, the planting industry's comparative profit has been on the decline, and so increased agricultural production has not been matched by higher agricultural income. The increase in the peasants' income has been slow, and in some areas, it has even stalled. In addition, because peasants in many localities are heavily burdened, it has dampened their production enthusiasm and has slowed their advance toward the goal of becoming relatively well-off.

If we make an in-depth examination and analysis of the reasons for the slow increase in peasant income, besides such factors as the widening price scissors between industrial and agricultural products and the lower comparative profit for agriculture, especially for grains, cotton, and oil, the most important reasons are the slow readjustment of the rural industrial structure, the improper distribution of labor employment, and the wide gap between the input of labor resource and material output. In 1992, nationwide, the nonagricultural sector's contribution to the rural society's total output value was 64.2 percent, and in some well-developed coastal provinces, it exceeded 80 percent, but it was only 55 percent in Anhui which had a rural labor force of 24.32 million—of which 19.92 million, or 81.90 percent, were employed in agriculture, and among those in agriculture, 93.6 percent were in the planting business. By today's productive standard of an average of 6 mu per worker, we needed approximately 11 million people, and subtracting those who left through the development of township enterprises and other channels, in 1992 we had a surplus rural labor force of 4.92 million people, or one-fifth of the labor force. Anhui's share of stalled agricultural labor force is approximately 30 percentage points higher than that in the economically well-developed coastal provinces. Anhui currently is in a transition from the early stage of industrialization to the mature stage, and compared to international standards, the proportion of stalled agricultural labor force in other relevant nations at this stage of development is generally below 70 percent [as published]. This means the shift in Anhui's rural labor force is lagging far behind. The poor rural industrial structure and the improper employment structure naturally affect the income structure. In 1992, the per capita net income of Anhui's peasants was 575 yuan. Specifically, those in the town and township's secondary and tertiary industries had average incomes of 142 yuan [as published], and they accounted for only 24.7 percent of the work force (national standard was 28.4 percent), while those in agriculture accounted for 75.3 percent (57 percent for the nation), and among those in agriculture, 61.3 percent plant crops (compared to 36.8 percent nationwide). Such income structure which is made up primarily of agricultural, especially crop-planting, income not only slows the rate of increase but faces market and natural risks. If we fail to vigorously readjust the rural industrial structure, accelerate the rural labor force's move to the nonagricultural sector,

and increase the output value and the employment shares of the secondary and tertiary industries, a large rural labor force will remain on the land which averages a little over a mu per person, and no matter how we try to change the production method, it will be difficult to increase income by much. Thus, if we simply stake the "treasure" that can make us rich in grain, cotton, and oil and put all of our hopes of becoming relatively well-off into agriculture, or especially in the planting industry, it will not work, and not only will it not be safe, but it can actually be dangerous. In this sense, whether Anhui's rural areas can become relatively well-off will, to a large extent, be determined by how much of the surplus rural labor force we can shift out.

In recent years, pressured by the rural surplus labor force and pulled by the difference in comparative advantages among different industries, the rural labor forces in many localities have begun to move through channels such as agricultural development, township enterprises, labor export, and entry to small cities and towns and so on. By the end of 1992, approximately 5.30 million people in the province have shifted to the secondary and tertiary industries. Because Anhui's urban industries and township enterprises are relatively small in scope and limited in capacity at the present time, and because the large- and medium-sized cities and the economically well-developed localities have a big demand for labor, many peasants have spontaneously and continuously left the yellow earth which for generations and generations has been tilled and planted, and they have flocked to some of the nation's large- and medium-sized cities, especially in the economically well-developed coastal regions to find work, creating a so called "tidal wave of civilian workers." In 1992, the province exported approximately 5 million workers (around 2 million on a year-round basis). Gradually this shift is creating a trend that rivals the absorption of the labor force by township enterprises. This large-scale spontaneous shift of the rural labor force heralds a major trend in socioeconomic development: Regardless of whether a locality is importing or exporting labor, it will clearly benefit economically and socially. Overall, we can say that the current shift in the surplus rural labor force is the product of a macroeconomic backdrop of the transition from the old economic system to the new during which the peasants' increased output is not matched by increased income and the gaps between industry and agriculture, between urban and rural areas, and among different regions are constantly widening. It is a natural product driven by profit; it is a natural trend as the labor force turns to face the market, adapts to the market, goes after higher economic profit, strives to realize its own value, and improves its overall quality. It is a natural choice as the peasants make an historical transition from being well-fed and clothed to being comfortable and advance faster toward the goal of becoming relatively well-off. We should also realize that surplus rural labor will become an even more serious problem as agriculture becomes increasingly mechanized, as scientific farming standard rises, as farm area shrinks, and with the natural

population increase. It is estimated that by the year 2000, Anhui's total rural labor force will be 28.13 million strong, with surplus labor of approximately 11.50 million. If this huge army of surplus labor cannot be effectively shifted, it not only will jeopardize the goal of becoming relatively well-off, it can even threaten social stability. This is an important political-economic problem and a social problem that affects the whole situation.

Realistic Approach and Prospects for Accelerating the Shift

It is estimated that to achieve the goal of becoming relatively well-off by the end of the year 2000, the peasants' per capita income should top 1,700 yuan (at that year's prices). If we analyze the relevant figures from other countries and apply them here, by that time, the agricultural to nonagricultural employment ratio for Anhui's rural labor force should be adjusted from today's 7.3:2.7 to 3.6:6.4. That is, out of the total labor force of 28.13 million, 10.03 million should be in agriculture while 18.10 million should be in the nonagricultural sector. These represent decrease and increase of 37 percent respectively based on 1992 figures, and only then can we basically complete the historical mission of shifting 11.50 million surplus rural labor force. Judging by the current conditions of the province's resources and economic development and summing up the experiences and approaches of various localities over the years, it is still possible to realize this goal via different channels to speed up the shift of the surplus rural labor force:

- (1) *Readjust agriculture's internal structure, vigorously develop forestry, animal husbandry, sideline production, and fishery, and encourage the surplus labor force to go wider and deeper into agriculture.* As a major agricultural province, Anhui is rich in agricultural resources and rural labor resource. Much can be said about how to develop and utilize those agricultural resources and at the same time properly tap the rural labor resource; there is huge potential. Currently, the agricultural sector has a poor internal employment structure: the labor force is concentrated primarily in the planting industry, and within the planting industry, the emphasis is on grain production. In 1992, province-wide, 18.65 million people were employed in the planting industry; only 1.27 million were employed in forestry, animal husbandry, sideline production, and fishery—they made up 6.4 percent of the work force in the planting industry. Thus, for most localities in Anhui, we must plant our foothold on the comprehensive development of agricultural resources, and while stabilizing grain production, we should use a two-prong approach of expanding across the board and developing internally to accelerate the rural labor force's shift from crop-planting to forestry, animal husbandry, sideline production, and fishery and from simple grain planting to growing other cash crops. We must expand forestry, animal husbandry, sideline production, and fishery and the growing of cash

crops, increase their share and efficiency, and increase the peasants' income via several channels. The province currently has 65 million mu of arable land; 25 million is suitable for forest planting and 13.81 million mu for growing aquatic products. Their current exploitation and utilization rate and production rates are fairly low and therefore accelerating the development of forestry, animal husbandry, sideline production, fishery, and cash crop productions will provide much potential for changing agriculture's internal structure and the labor force's employment structure. Initially, the ratio of labor force in the planting industry to those in forestry, animal husbandry, sideline production, and fishery and cash crops should be adjusted from 93.6:6.4 to 79.8:20.2 by the year 2000, raising the labor force in the latter group by 13.8 percent. Based on the 1980 to 1992 figures where each percentage point increase in the output value of forestry, animal husbandry, sideline production, and fishery resulted in an increase in employment of 61,000 people, we need a work force of 2.18 million people, 890,000 more than in 1992. By developing "one superior and two high" in agriculture, Anhui can achieve an average of one mu of high efficiency cash-crop farm per peasant household, and based on 2 mu of land per worker, this can accommodate 6.85 million workers, and subtracting the 1.37 million workers needed in conventional farming, we can absorb 5.48 million workers. Thus, by readjusting agriculture's internal structure and increasing the agricultural resource utilization rate, the province can absorb more than 6.37 million of the rural labor force. This is an effective way to move the surplus rural force which we should not overlook.

- (2) *Optimize the rural industrial structure, vigorously develop township enterprises, and promote the shift of the surplus rural labor force to the non-agriculture sector.* Whether the peasants' per capita net income can reach the relatively well-off level is determined to a large extent by the optimization of the rural industrial structure. Looking at Anhui's current situation, the rural industrial structure is only a "well-fed and clothed" structure. In 1992, the nonagricultural sector's share of the province's rural total output was 8.9 percentage points below the national average. This structure seriously hampers the increase in peasant income and its advancement toward the goal of becoming relatively well-off. In the next seven years or so, we have a very arduous task in meeting the provincial party committee and provincial government's standards for a comfortable rural life. We cannot rely on agriculture alone. We must guide and organize the shift of masses of peasant to the secondary and tertiary industries. Practice in many localities has already proved that the development of township enterprises should be the main focus of attack if we want to increase the peasants' income and advance faster toward the goal of becoming fairly well-off, and it is also the main avenue for shifting the rural labor force. Between

1984 and 1991, the total output value of China's township enterprises rose from 100 billion to 1.1 trillion, at a net increase of 1 trillion yuan; total labor force employed by township enterprises also rose to 100 million. This means for every 10,000 yuan increase in the township enterprises' output value, we can employ one more worker. In 1992, Anhui's township enterprises' output value was 58.8 billion yuan, and that year, nearly 600,000 people were shifted, an increase of 12.3 percent compared to the previous year. By the year 2000, Anhui's township enterprises will employ 13.80 million people, a net increase of 8.45 million compared to 1992; they will account for 49 percent of the total rural labor force. Of course, township enterprises' rapid development is constrained by many factors; fund problem is one of the main problems. Based on the province's financial situation, working hard to raise money from the masses, from enterprises themselves, through bank loans, and via foreign investments, we can provide township enterprises with an average of 5 billion yuan a year in development fund. Based on the current figure that each additional person must be outfitted with 5,000 yuan's worth of equipment, in the next seven years, it is possible for township enterprises to absorb another 8.45 million people.

- (3) *Actively develop a rural socialized service system with emphasis on the civilian-run format, broaden employment opportunities, and promote the surplus rural labor force's shift to the tertiary industry.* To develop a socialist market economy, we must have a fully developed tertiary industry, and the rural areas especially must set up a socialized service system. In 1992, Anhui's tertiary industry accounted for 21.4 percent of the province's total output value; it employed 15 percent of the labor force—both were below the national average levels. The rural area's tertiary industry is even weaker. Only around 5 percent of the labor force is employed in the tertiary industry. They are concentrated primarily in communications, transportations, retail shops, and restaurants and other businesses; few have anything to do directly with services before, during, and after agricultural productions. In particular, because circulation lags far behind production, agricultural and sideline products and township enterprise products are stockpiled. To solve this problem, besides producing hot-selling products, it is especially important to enliven circulation services. We should emphasize building a rural socialized service system that focuses on circulation. Looking at years of practice, to set up and firmly establish a service system truly capable of shouldering this responsibility, we cannot rely on the government service organizations to do it all; instead, we must continue to give play to the government service organizations, but at the same time, we must actively develop a very vigorous, civilian-run rural service system. So called civilian-run rural service system is a kind of community shareholding cooperative organization that is based on family

enterprises and is organized voluntarily by the peasants to provide services before, during, and after agricultural production. The basic mold is to make cooperatives its main format, marketization its basic direction, modernization its strong suit, and industrialization its general approach. It is an effective means to adjust to the development of the agricultural labor force and the shift in rural labor force during the agricultural modernization process, and it opens up a new way for the surplus rural labor force to shift from the agricultural to the nonagricultural sector. This kind of family-enterprise-based rural cooperative economic organization turns separate agriculture, industry, and commerce management into joint management; it changes the separate and solitary use of important factors of production to optimized composite use; it turns dispersed, low-efficiency use of resources into properly-allocated, comprehensive use; it reduces the multiple links and speeds up the slow circulation of agricultural products; it turns a single family's productive force into a combined community productive force, so that rural production and management can make the historical change from "separate" to "combined" and in turn promote the progress of the rural productive forces and the modernization of agriculture. Looking at initial practices, the civilian-run service system is playing a very important role in promoting the readjustment of the rural industrial structure and accelerating the development of the rural economy, and meanwhile, it itself has a large capacity for absorbing the surplus labor force. Its future is very promising, and it should be vigorously developed.

- (4) *Reform the system of separation of town and country, accelerate the process of turning villages into towns and townships, and encourage the surplus rural labor force to move to the small towns and townships.* Urbanization is an important norm gauging a country's or a region's level of modernization. The establishment of the socialist market economic system creates an important condition for smashing the dual, city-versus-country, socioeconomic structure. We should seize the opportunity, accelerate the development of the nonagricultural sector, and actively guide its regionalized development, so that the masses of peasants will embark on the rural urbanization road by leaving the land and the villages, leaving the villages without entering the cities, or leaving the villages to build new cities. Since reform and opening up, Anhui's economy has undergone rapid development, but its urbanization standards still lag behind. In 1992, of the province's total population of 58.17 million, the cities and towns claimed 8.73 million, or 15.1 percent; agricultural population claimed 49.44 million, or 84.9 percent. In 1992, the province's GVIAO was 133.3 billion yuan, of which industries contributed 72.4 percent and agriculture contributed only 27.6 percent. This structure seriously hampers the unification of town and country and the process of modernizing agriculture.

It not only makes it difficult to raise the peasants' income level or realize the goal of becoming relatively well-off, but the state's modernization process is also affected. It is increasingly clear that shifting the rural labor force to the towns and townships is an irreversible trend. The massive shift of rural labor force in recent years is but a prelude to the great future migration of peasants from the villages to the cities and towns. For this reason, we must correctly gauge this trend and actively promote the progress of urbanization. Internationally, there are two ways to achieve urbanization: centralized and decentralized. In general, for the industrialization of the well-developed nations early on, they chose the approach of expanding the large cities which brought a rapid rate of urbanization, but it also brought economic and social problems to the cities and caused agriculture to remain stagnation and even shrink temporarily. Nations that began their industrialization after World War II primarily took the decentralized approach and focused more on rural industrialization and the development of small cities and towns. This latter approach is more appropriate for us. Currently, Anhui's small cities and towns are spread out among the masses of villages; they are the rural political, economic, and cultural centers. In the wake of the development of the market economy, small towns and townships, acting as bridges and links between town and country, will shoulder the important responsibility of absorbing and transforming the rural surplus labor force. At the end of 1992, the province had 3,219 assorted market towns with total population of 9.167 million. Each market town had an average of fewer than 1,000 nonagricultural population. They are small-scale, low-level towns with little impact. Where people gather, towns flourish, and when towns flourish, people tend to gather. If, on the average, each market town doubles its nonagricultural personnel, we not only can permanently shift more than 3 million rural workers but can bring definite scale economy and cumulative effects to industrial production and the tertiary industry in the small towns and townships and impact and give impetus to the economic development of the surrounding areas. To build small cities and towns, we must insist on unified planning, proper layout, raising funds in all directions, comprehensive development, and the construction of other necessary facilities. First, we must choose some central cities and towns that have good basic conditions and good future prospects and develop them first, so that they can play an exemplary role and bring along the others. In terms of economic components, we must let the individual, private, and shareholding cooperative economies develop freely. In terms of industrial development, we should start out from the small cities' and towns' own conditions, set priority, and integrate the development of small industrial zones and markets. We should emphasize the development of the construction industry, the transportations and communications industries, the real estate industry,

and other service trades to strengthen the overall function of the small cities and towns. While accelerating their development, we should also develop the large- and medium-sized cities, so that they can be the source of radiation and point of support to the small cities and towns.

- (5) *Set up an open labor market, expand labor export, and encourage the surplus rural labor force to shift across regional boundaries.* In recent years, more and more of Anhui's workers have gone outside of the region to work; the number has reached 5 million. This trend of going outside of the region to work has been coined by the cadres and the masses as "machine-less factory, counter-less shop, invisible technical school, and credit-less bank." It not only has increased the peasant's economic income but even more important is that it has forged ties between town and country and enlivened the factors of production, so that through this kind of labor export, many peasants have gone to the economically well-developed cities and regions not only to learn technologies but also to obtain information and enhance their sense of commodity economy, and more importantly, it has integrated the dual—town versus country—economic structure into a single structure and has created conditions for modernizing agriculture. Because of the many limiting conditions, in the next seven years or longer, it will be very difficult for Anhui to completely digest the surplus rural labor force internally, and there will continue to be big differences in economic development among the provinces. Thus, labor export will continue to be an important way to solve the surplus rural labor force problem. The trend of large numbers of surplus workers going outside of the region to work or do business will continue, and this trend will grow—perhaps no fewer than 6 million people will move, which adds another million people or more on top of today's labor export figure. It is estimated that by the year 2000, there may be as many as 2.2 million people working outside of the province year-round. We should continue to advocate, encourage, and support labor export. In particular, we should gradually set up a labor market network that covers both town and country, actively expand the organized export of labor, reduce the kind of aimlessness typical of uncontrolled mobility, and promptly solve the problems created by the shift in the labor force—such as transportation, family planning, and public security—so as to promote the healthy development of labor export.

III. Provide Active Guidance and Give Impetus To Accelerating the Shift

Shift in the rural labor force not only involves the peasants, agriculture, and the villages but also affects the cities, industries, social life, and other aspects. It is a social project of grand scale, and we must mobilize and organize all sides to actively participate and work hard together in order to effectively promote a quicker pace in

shifting the rural labor force. Today, the following problems urgently need to be addressed:

One, we must further liberate our thinking, change old concepts, and conscientiously strengthen organizational leadership in working to shift the labor force. Because of the old traditional concepts and decades of economic planning, many cadres and the masses have come to believe that "peasants grow crop, and the crop they grow is grain," that "cities build factories, and villages engage in agriculture," and that "any shift in the rural labor force will weaken the agricultural base" and so on. They also embrace such small-scale peasant economy concepts as finding satisfaction in being warm and well-fed and being complacent with a little money, and these ideas have influenced and obstructed the shift in the rural labor force. Therefore, we must further liberate our thinking and free ourselves from the bondage of these concepts. We should have a "first-course procedure" to make the shift in the rural labor force successful. In particular, in terms of guiding ideology, the party committee and government leading comrades should deepen and heighten their awareness from the strategic high point that the goal of becoming relatively well-off, the industrial structure, and the employment structure are a "three-in-one" concept, and they should be diligent in guiding and organizing the shift in the rural labor force. It is fair to say that whether we can seize the historical opportunity before us, take advantage of the situation, and accelerate the shift of the surplus rural labor force are in essence an important indication of whether the leaders at all levels, especially the key leaders in the prefectures, cities, and counties, are in command of all aspects of the rural tasks, and they are also an important test of the ideologies, concepts, leadership standards, and the ability of the leading group. Party committees and governments at all levels should put the shift of rural labor force on the top of their agenda and keep in mind the goal of becoming relatively well-off as well as local conditions to promulgate programs, procedure, and measures for shifting the rural labor force through the end of the century. We must insist on suiting measures to local conditions and provide different types of advice, choose the breakthrough points and the main approaches properly, pay attention to the typical effects, and give impetus to the task of moving the labor force.

Two, we must deepen the reform process and promulgate and perfect other policies to complement the reform. In the wake of the establishment of the socialist market system, the policies and systems promulgated under the planned economic system no longer meet the needs of the new situation and can affect and even obstruct the movement of the rural labor force and the further liberation of the productive forces. In the spirit of reform, we should promptly promulgate, perfect, and develop new policies and system that are compatible with the market economy. More problematic is, for example, the existing town and country household control system and policy which seriously restrict the proper circulation of labor force between town and country,

obstruct fair competition, and hinder the processes of rural industrialization and urbanization and should be actively reformed in order to create the conditions to achieve fair competition and proper circulation of the labor force. The existing rural land management policy and system restrict the movement and relative concentration of land. On the one hand they affect the shift of the labor force to the nonagricultural sector, and on the other hand, they prevent the farming experts from getting the amount of land they deserve in order to achieve economies of scale. Therefore we should explore land management system and policies that are compatible with the new situation after we have stabilized and perfected the output-related contract responsibility system. With regard to the rural area's various specialized technical and management personnel, we should consider the rural area's real conditions and make professional skills and management standards the primary bases to formulate a unified set of standards for the rural specialized technical and management positions, create an organ to evaluate job titles and issue certificates, so that the hiring units can refer to those standards. We should set up a social security system and gradually provide collective-, individual-, and privately-owned enterprise workers comprehensive medical care, pension, job-related injury, and unemployment insurance, so that the workers' basic needs and legal rights and privileges are protected, so that they do not have to worry about the future after moving to a different sector. With respect to the industrial policy, we should encourage and guide the spread of agricultural and sideline product processing and parts and spares production from the cities to the township enterprises and small cities and towns to give full play to the superiority of the rural labor force and local resources and promote the development of the town and the country economies.

Three, we should accelerate the development of the labor market and set up a network-type service system. Objectively, the development of the market economy requires a perfect market for factors of production. Similarly, a mobile labor force requires a labor market, advice, information, training, organization and other services. These in turn provide the opportunity and condition for the rural labor force to achieve free and proper circulation and to compete on equal footing. Overall, Anhui's labor market is still in a naturally dispersed, relatively immature stage. It has not formed a regional market or a network of service systems, and as a result, there is a lack of information and the channels are clogged, so that labor circulation often tends to be aimless. It is imperative that we set up a labor market system that is compatible with the shift and employment of the rural labor force. In this and next year, the province should focus on the construction of prefectural, city, county, and key town and township labor markets and continuously expand, perfect, and upgrade them to eventually form a network. By the end of the century, we should have a fully equipped, well-informed, full service, standardized, and guaranteed labor service network that covers the province's every town and township and

which links tracks with the national and international labor markets. It should basically shoulder the whole province's labor export organizational responsibility. To accelerate the pace of labor market construction, funds should be gathered through multiple channels at every level. In accordance with the principle of "whoever makes the investments obtain ownership and reaps the profit," we should mobilize and organize the state, collectives, individuals, and the shareholding cooperatives to work together and vigorously develop a team consisting of all types of labor intermediary organizations and agents to form an open labor market and its service system. We should also speed up market legislation to standardize the labor market activities and diligently protect the workers' legal rights and privileges.

Four, we should set up a rural education system consisting of a "central program for three types of education" to improve the overall quality of the rural labor force. In the wake of the development of the productive forces, we are increasingly demanding of the quality of the workers. The existing rural education system is very incompatible with the need to raise the worker's educational and technical qualities. This is manifested especially in the backward vocational and technical education and adult education which restricts the mobility of the labor force. For this reason, we must deepen the reform of the rural education system and set up a new system consisting of a "central program for three types of education"—basic education, vocational and technical education, and adult education. In other words, we must continue to focus on the universal, 9-year, compulsory education system, but we should also take the multi-level, multi-channel, and multi-format approach to vigorously develop rural vocational-technical education and adult education. Vocational-technical education should be linked to the colleges and universities and scientific research units at the higher level, maintain contact with various trades and industries laterally, and impact the masses of rural households below, so that the rural economic, science and technology, and education departments' human, financial, and material resources become one strong combined force. Adult education should consist primarily of practical technical education. The relevant departments and units at every level should get organized to offer the rural labor force training for different professions or of different types, so that every worker at least have one or two special skills. We should strive for a 1:1 ratio between polytechnic schools and regular junior and senior high schools in the villages throughout the province by the end of the century. For rural adult education, we should strive to build comprehensive training centers in the counties, central schools in the villages and towns, and tutorials in the administrative villages. At the same time, the middle and elementary schools should offer manual labor courses, technical course, and vocational elective courses, and we should accelerate the education reform and school system reform to separate out the students at the end of

their junior high or senior high school years and implement the "three-plus-one" system (that is, upon graduating from junior or senior high, students can enroll in a one-year, vocational-technical training course) to provide some students with directional or preparatory professional-technical education. The province, prefectures, and counties should set up vocational-technical education and adult education funds, provide paid services to get the development rolling, and vigorously advocate, encourage, and support various trades and industries, units, and individuals to open schools and offer training courses of all types. Through the "three kinds of education," we can accelerate the improvement in the overall quality of the rural labor force and create the conditions for the successful transfer of the labor force.

Funding for Agricultural Development

94CE0341A Beijing JINGJI RIBAO in Chinese
22 Feb 94 p 2

[Article by Staff Correspondent Wang Xinjian (3769 0207 1696) and Staff Reporter Zhang Zichen (1728 1311 5256): "With Wu Kunlong, deputy director of the State Comprehensive Agricultural Development Office"]

[Text] In this new historical situation, the state has established a new strategic project: there will be large-scale investment in comprehensive agricultural development to bring about macroeconomic adjustment and control and ultimately to realize the modernization of agriculture. This systematic project requires more investment, and in addition requires scientific and directed logical application. To discuss such issues as the annual collection of more than 5 billion yuan in capital, its allocation and administration, etc., we visited the Permanent Vice Director of the State Comprehensive Agricultural Development Office Wu Kunlong [0702 0981 7893].

Question: What is your appraisal of the application of investment since China initiated its project of implementing comprehensive agricultural development?

Answer: The nation set out on the project of comprehensive agricultural development in 1988. As of 1993, it had invested a total of 25.31 billion yuan in capital, including 6.84 billion yuan from the central financial authorities. It is the first incidence of such large-scale concentrated investment since the founding of the People's Republic of China.

This project has reliable resources of capital, clear directions for its application, policies which are quite favorable, and a complete system. So party and administrative leadership have given it their close attention, the masses have welcomed it, the capital has been applied efficiently. The investment structure reflects the state's policies on industry and technology.

In the 25.31 billion yuan investment I referred to earlier, 75 percent was put into grain, cotton, and vegetable oil production, 15 percent was put into the production of

meat, eggs, and aquatic products, and 10 percent went into building forests and grasslands. Categorized by developmental and handling measures, 80 percent was put into construction measures, 10 percent into biological measures, and 10 percent into scientific and technological measures. The figures show that over the last six years there has been a total of 40 billion yuan in capital for state-fixed comprehensive developmental investment plus farm labor force converted into capital; this is equivalent to more than 10 percent of the gross fixed capital in publicly owned, collective, and personal investment during the same period. In this, the proportion for major grain-producing areas was even greater. For example, Anhui's gross investment in comprehensive agricultural development was 1.23 billion yuan in 1992, which was about 10 percent of the province's gross societal fixed asset investment (including primary, secondary, and tertiary industry). There is no doubt that this has been very beneficial in strengthening the reserve strength of agricultural development and regional economic development.

Question: What have been the problems with the application and administration of capital recent years?

Answer: There have been four aspects to this:

- 1) There have been too many "connecting batch" projects; they formed a base, and have affected capital turnover and efficiency. In 1993, the central financial authorities made arrangements for 1.7 billion yuan in capital, but most of this has been taken up by projects already approved, and only 140 million yuan of the capital can really be arranged for renewal.
- 2) Capital is being used in a scattered fashion, getting quite a ways away from the focus.
- 3) The capital has not come through on time, local supporting capital is hard to implement, and allocation and payment are taking too long. In some cases, units which have made application still have not received all of the year's capital by the end of year, which affects the pace of their development and their accomplishment of construction assignments.
- 4) Impractical repayment terms for financial capital debts makes it difficult to repay them. These problems demand our closest attention, we absolutely cannot be careless about them or lower our guard. Capital investment and administration supplement each other, so if we only pay attention to investment and not to administration, our developing goals will hard to attain, and there will be no way to be efficient. So from now on, our development department and financial department must take very seriously their administration of capital use.

Question: What is this year's gross investment capital and its structure?

Answer: It could increase to a total of 5.8 billion yuan this year (excluding the conversion value of the farmers' labor force). It is chiefly composed of three aspects.

These are the 1.9 billion yuan central financial allocation, localities' minimum support of 1.9 billion yuan at a 1:1 rate to complete the set, and in addition, there is a 2 billion yuan loan from the Agriculture Bank.

Question: What is the future of agricultural development capital?

Answer: It will certainly increase. This is because agriculture must have more capital investment. In order to continue making good allocations of agricultural development capital and meet the demands of the central government's 1993 rural work conference, the 1994 financial capital budget for support of agriculture must be higher than the normal increase in financial income proposed in the "Agriculture Law." Establish a grain risk fund, to be used chiefly for central grain storage costs, and subsidize the gap between the prices for purchases and sales of grain. Increase by 1 billion yuan yearly until the year 2000 the funding for providing work as a form of relief. Increase comprehensive agricultural development capital by 200 million yuan, to 1.9 billion yuan from its present 1.7 billion yuan. Gradually find some resolution to the troublesome debts accruing from grain producing enterprises' losses.

Certainly, increasing the investment in agriculture is not just the concern of financial departments; there are many aspects to it, such as bank credit, investment in construction, fund-raising by agriculture itself, importing foreign capital, etc., in addition to finance. All departments should work together—when everyone adds fuel the flames rise high. When overall agricultural investment is increased, the capital for comprehensive agriculture development will naturally increase with it.

Question: What are the possible ways of implementing out supporting capital?

Answer: Implementing local supporting capital is the key to increasing investment and guaranteeing that projects will be implemented. Beginning this year, the state will require that fiscal authorities at the provincial level assume the lion's share of supporting capital. In addition, this capital must be held in reserve when making out the budget at the beginning of each year. Now, with reform of the financial system reform, the sources of agricultural development funds will certainly change, and for some provinces it may be not sufficient to just rely on that portion of the tax revenues received from occupying cultivated land which is controlled by provincial fiscal authorities. In these circumstances, it is essential to arrange that part of the capital resources be kept in reserve for contingency use. We cannot fill out our needs with bogus supporting capital, nor can we resort to makeshift solutions.

We must really strengthen our management of capital. We especially must strengthen that management in advance, using capital within strictly fixed limitations. Comprehensive agricultural development funds are different from general administrative funds; we must make the usage of these two very clear, never mixing them up.

In the meantime, we should strengthen our regular supervision, examination and administration, giving financial departments the authority to halt allocation at the first appearance of any violation of discipline. Comprehensive agricultural development organizations must accept the supervision of financial departments.

Question: What adjustments should we make in the investment mix right now?

Answer: The general breakdown of overall agricultural development investment is that 80 percent of central and local financial investment is used to improve the basic condition of agricultural production and develop such major agricultural by-products as grains, cotton, vegetable oil, sugar, and meat, etc., while 20 percent is used to develop a variety of operations in the regions which have the projects; of the special loans from the Agricultural Bank, 50 to 60 percent is used for land exploration and treatment, and 40 to 50 percent is used for production and operations. This kind of investment mix is of significant value in increasing the staying power of agricultural development and increasing the output of grains, cotton, vegetable oil, and meat. But, in the new situation of increasing the development of a socialist market economy, it will be inappropriate to keep on arranging our capital according to such quotas; we must readjust. From now on, calculating with the province as the unit, central and local financial investment should have a quota for increasing investment for improving the basic condition of agricultural production by not less than 70 percent, and no more than 30 percent into investment in developing multiple operations and leading projects. As for arranging bank credits, again counting the province as the unit, 30 percent will be used for land exploration and treatment, and 70 percent for multiple operations and leading projects. This will reflect governmental activities and suit the demands of the market economy while developing high output and efficient agriculture.

Question: When will the project file system be implemented?

Answer: The project file system is a means of advanced administration. It embodies the principle of selecting that which is excellent and competitive, and is beneficial to improving the efficient use of capital. Vice Premier Zhu Rongji has praised the township enterprise project file system very highly. Some places which are carrying out comprehensive agricultural development are in the initial stages of establishing this system too, and these should be vigorously expanded. Starting this year, both the State Office for Comprehensive Agricultural Development and the provincial development offices should establish their own project file, gradually changing the work of setting projects to regular work. Before applying for setting projects, each area and unit should subject projects initially selected through feasibility demonstration, and when state investment becomes possible, take the project from the file and submit it to higher authority.

Permanent Vice Director Wu Kunlong stressed that each locality must do well the preparatory work involved in implementing the new system by suiting measures to their local conditions, strengthening professional training, working out detailed regulations for implementation, and link up appropriately with the original system. Only in this way will comprehensive agricultural development in China have great economic and social efficiency in investment and production, and push comprehensive agricultural development work to a new stage.

Jiangxi 1993 Agricultural Outputs, Plans for 1994

94CE0397C Beijing *NONGMIN RIBAO* in Chinese
16 Mar 94 p 1

[Summary] In 1993 gross output of grain in Jiangxi Province totaled 30.34 billion jin, an increase of 1.34 billion jin over the assigned task; cotton 3,124,000 dan, a 5.3 percent increase; oil crops 778,100 tons, a 4.9 percent increase; 18,110,000 hogs were removed from stock, a 15.2 percent increase; and aquatic products output 554,900 tons, a 34.3 percent increase. Per capita net income of farmers was 870 yuan, a net increase of 102 yuan over 1992.

Planned grain output in 1994 is 30 billion jin. The planned cotton area is 2.6 million mu, an increase of 600,000 mu over 1993, and cotton output 4 million dan. Planned aquatic products output is 650,000 tons, and per capita farmer income will reach 1000 yuan.

Small Phosphate Fertilizer Plants: Quality Problems

94CE0350A Beijing *JINGJI RIBAO* in Chinese
24 Feb 94 p 3

[Report by reporter Zhang Chaoyang (1728 2600 7122): "Results of 1993 Unified Inspection of China's Phosphate Fertilizer Shows: Quality Problem in Small Enterprises Is Serious"]

[Text] There has been a fairly large rise in the general quality level of China's phosphate fertilizer products, but the quality problem in small enterprises is still fairly serious. Of the 800 phosphate fertilizer-producing enterprises covered by a national unified inspection, the sample qualified rate of small enterprises was only 76.9 percent, 19.3 percentage points below the sample average qualified rate (96.2 percent) of large- and medium-sized enterprises. Of all of them, the 21 inferior-quality products were all produced by the small enterprises; of the 93 samples with unqualified phosphate

content, the small enterprises accounted for 96.8 percent. An official in the relevant part of the State Technology Supervision Administration (STSA) has pleaded for a strengthening of quality management in small phosphate fertilizer enterprises.

The STSA recently organized a nationwide unified supervision and inspection of the quality of two phosphate fertilizer products: calcium magnesium phosphate and calcium superphosphate. The results of inspection of 811 samples in 800 phosphate fertilizer-producing enterprises in 28 provinces throughout China showed that 644 qualified, the sample average qualification rate being 81.9 percent. Of them, of the 209 samples in 199 large- and medium-sized enterprises 201 qualified, the qualification rate being 96.2 percent, and in the 601 small enterprises inspected there were fairly many problems in 602 samples. The main problem is that, because old and obsolete methods of production continue to be used, the moisture content is high, the effective phosphate content is low, and the free acid content is over-proof. For example, in the fourth-grade calcium superphosphate produced by Shaanxi Province's Chenggu Yuantian Chemical Plant, the moisture content was as high as 26.8 percent (the standard requirement is less than 15 percent), and the effective phosphate content was only 3.7 percent (the standard requirement is greater than or equal to 12.0 percent). The Qiling-brand fourth-grade calcium superphosphate produced by the Linzi Guoli Chemical Plant in Zibo City, Shandong Province, went directly out of the factory without going through a maturation process; the free acid content of its products was 15.5 percent (the standard requirement is less than or equal to 5.5 percent), exceeding the upper limit of the standard requirement by nearly three times.

The STSA official concluded: The main causes of the quality problem in small phosphate fertilizer enterprises are: the consciousness of quality is poor and enterprise management is slack; production conditions are poor and the technological level is low; and products are turned out in large quantities without regard for quality, shoddy work is done, and inferior materials are used. The official demanded that the enterprises that were found unqualified in the unified inspection supervise and urge their relevant departments in charge to be responsible for rectification and reform, and said that the original producing firms must recall inferior-quality products and reprocess them technically. With regard to enterprises that intentionally turn out products in large quantities without regard for quality and that cheat the consumers, he said that, besides meting out severe punishment, cases in which the circumstances are serious must be turned over to the judicial organs for investigation into the responsibility for the crime.

Surveys Reveal New Trends in Divorces

94CM0207B Shanghai SHEHUI [SOCIETY]
in Chinese No 109, Feb 94 pp 4-7, 21

[Article by Chu Zhaorui (0328 0340 3843): "Current New Trends in Dissolving Marriage"—edited by Lao Qin (0525 0530)]

[Excerpts] [passage omitted] A comprehensive analysis of a recently completed nationwide social investigation and various regular surveys reveal the following new trends in dissolving marriage at present:

With regard to divorce cases, there are more wives than husbands requesting divorce. About 70 percent of the cases are requested by wives. Of the wives requesting divorce, intellectual women account for a bigger share, i.e., 86.1 percent. There are more divorce cases in big cities than in small and medium cities, and in particular, more cases occur in coastal open cities. More couples under 35 are seeking divorce—they account for over 60 percent of the total divorce cases. More divorce cases involve couples married shortly after falling in love—they make up 69.16 percent of the total. Also, more divorce cases are found among those who have children—64.82 percent of the total.

With regard to divorcees, several "added" new trends have appeared. There are more advanced-age divorcees. There is no lack of divorcees who are in their 50's. People in their 60's getting divorced are not rare, and divorce cases involving septuagenarians are often heard of. A weird report carried in SHANGHAI FAYUAN [0006 3189 3127 5373] says that an 80-year-old woman and her 84-year-old husband insisted on divorcing each other. There are more early-married couples getting divorced, such cases now hitting a record high. More actors and actresses get divorced than ever before. This is especially so among young performers whose divorce rate is as high as 70-80 percent—a fact that is known to all. There are also more self-employed and contract work households getting divorced after becoming better off. In some cities, the divorce rate among the self-employed has reached 12.4 percent. Some well-to-do people have even used money in exchange for agreement to divorce. In addition, more divorce cases have appeared among people going abroad. More and more people who have gone abroad to study or to "earn credits" have divorced their "ladies in the rear [liu shou nu shi 3966 1343 1166 1102]" or "gentlemen without wives by their side [tai kong nan shi 1132 4500 3948 1102]."

As to reasons for divorce, the new trends are as follows: A remarkably increased number of divorce cases involve a "third party." Such divorcees account for about 25 percent of the total divorcees around the country, and the percentage is as high as 70 percent or so in coastal developed areas. People divorced because of "inharmonious sex" have also increased, the percentage of such divorcees being 34.7 percent nationwide and 60-70 percent in certain areas. More people are divorced due to emotional discord. Over 95 percent of the divorce cases

are attributable to emotional and personality conflicts rather than economic problems; still less are they due to political reasons. More often than not, divorce is caused by overt or covert psychological reasons or not-to-be-slighted social factors. An increased number of people seek divorce because of such factors as promotion, job transfer, or going to other places to study. Those who are mockingly described as "Chen Shimei" of the new age have increased in number. Also increased are cases in which husbands and wives separate and go different ways under the influence of the reform and opening environment or because of their different values.

In addition, the following new trends have appeared with regard to the attitudes and ways in dealing with divorce. People who do not consider divorce to be disgraceful have increased to 73.90 percent. Those taking an indifferent attitude account for 14.83 percent. And only 11.77 percent think that divorce is disgraceful. There are more cases of negotiated divorce than cases of divorce based on the court's judgment. In the past these two kinds of divorce cases were in the ratio of 1:3. Now, the ratio is 3:1 in such big cities as Shanghai. More people treat divorce in a civilized manner. Some divorcees hold balls and banquets and travel on the occasion of divorce. After divorce, some still contact each other and set dates for meeting with their children. More divorcees can justly appraise and deal with their previous spouses—they account for 61 percent of the total divorcees. While 40 percent of the divorcees say they can consider remarriage, actually more of them tend to remain single in view of the difficulty and trouble in getting remarried. Throughout the country, there are about 9.9 million unmarried men aged over 30. This is about 3.3 times more than unmarried women over 25. Recently, an increase is noted in the number of unmarried people between 28 and 49 years of age, and the trend is going upward. Beijing has 600,000 unmarried adults, Qingdao has 420,000, and Guangzhou has over 1 million. In early 1991, a public official bachelors' club, the first of its kind in China, was founded in Beijing. Meanwhile, a bachelors' party also appeared in Qingdao. [passage omitted]

Big Universities Compared to Foreign Counterparts

94CM0207A Beijing JIAOYU YANJIU
[EDUCATIONAL RESEARCH] in Chinese
No 168, Jan 94 pp 34-38

[Article by Zhou Chuan (0719 1557) of Suzhou University and responsible editor Zhu Shan (2612 3790): "Project 211—A Foundation-Laying Project for China's Education Modernization"]

[Excerpts] A key proposal for higher-education development made by the State Education Commission, "Project 211" (which focuses on building about 100 institutions of higher education plus a number of key specialty-course centers to meet the needs of the 21st century) has been approved recently by the party Central

Committee and the State Council. The proposal has thus become an official state project, and work has begun to put it into practice. After all, the curtain has been formally raised for this great trans-century education endeavor. Seeing this, insightful people of all social sectors have unanimously expressed the earnest hope that, with this project, China's higher education will embark on a new course of development. [passage omitted]

To build big-name universities up to the advanced world level by implementing "Project 211," we should, first and foremost, look into the standards and characteristics of the world's first-rate big-name universities, get acquainted with the basic practice of higher education in the world, and see how we are lagging behind it. The following is a comparison of some major aspects of our institutions with foreign universities, especially big-name foreign universities:

1. Funds for running institutions. All big-name universities in developed countries have ample operating funds. Even at the present time when a Western economic recession is in the offing, their operating funds are still way above ours. For instances, operating funds for all big-name universities in the United States are from \$700 to \$800 million a year. For such schools as Stanford and Berkeley, the amount even exceeds \$1 billion. In Japan, the University of Tokyo has an annual budget of more than 100 billion yen. All these figures are exclusive of private contributions. And whether they are public or private universities, their education funds are, without exception, supplied mainly by government appropriations. In our country, the annual operating funds for the few big-name key universities are only about 100 to 200 million yuan of renminbi. As to key universities run by provinces, the operating funds are generally between 10 and 20 million yuan. Now, all provinces and municipalities have done their best to set aside funds for "Project 211," but when the money is distributed among numerous institutions, the amount that each one can get will be merely 20 to 30 million yuan a year. Of course, when comparing our operating funds with those of our peers in developed countries, we have to take account of the different price levels. On the other hand, however, we should also consider the fact that a sizable part of the operating funds for our universities are disbursed as salaries for the large number of "administrative personnel" who depend on salaries for their livelihood. Such disbursement may cut the already-scanty "operating funds" to one half.
2. Structure and scale. Most of the first-rate big-name universities in the world are "giant universities." They have a big structure with all kinds of specialty courses and are, in particular, strong in fundamental disciplines. In general, each university has over a dozen schools comprising 50-60 departments, and its full-time students may number tens of thousands or

even more than 100,000. The ratio between undergraduate and graduate students is generally 1:1 or nearly so. In Harvard University, the ratio has even reached 1:1.5. Most of these universities have more than a dozen or even up to 100 well-equipped research institutes and laboratories plus "research libraries" with 6-7 million volumes of books (the Harvard libraries have as many as 11 million volumes). Compared with them, most of our institutions of higher education are smaller and less efficient. Only a few universities have more than 10,000 full-time students. In our big-name key universities, the ratio between undergraduate and graduate students is generally 4:1 or 5:1. Besides, most of the comprehensive universities which have undergone the 1952 campaign for adjustment of schools and departments are only comprehensive in name but not in reality, not to mention those specialty colleges, which concentrate on a single field of study. Though some reforms toward "comprehensiveness" have been carried out by certain universities in recent years, their newly established schools and departments can in no way match the old ones in quality.

3. Autonomy in running schools. In developed countries, whether it is France whose higher education is under relatively centralized management or countries like Britain and America where universities enjoy "unparalleled freedom in the world," institutions of higher education are generally given varying degrees of autonomy. This is a sacred and inviolable tradition of Western higher education formed over the past 1,000 years. Although the past few decades have seen an increasingly apparent trend toward the "nationalization" of higher education in these countries, the governments' role is to guide, rather than control, the universities' operations by means of fund appropriations or through other measures. In the university, the president, as the highest executive, possesses the supreme administrative power in reality as well as in name. In our country, under the influence of the decades-old planned economic system, institutions of higher education have, so far, been unable to gain the status as independent legal entities. Autonomy in running institutions is still very limited, and the administrative power of university presidents is not sufficiently protected. School affairs, big or small, are still based on the "red-head documents" [government documents with large characters printed in red for headings] issued by the higher authorities. Without the most rudimentary autonomy, how can our institutions operate successfully and play an outstanding role in education?
4. Administrative system. In Western developed countries, autonomy in operating institutions of higher education is associated with the tradition of "professors running the school." Organizations like professors' associations and advisory councils represent the will of teachers at large and stand for their rights and interests. According to the prevailing international

concept, "in an institution of higher education experts and researchers are the kings," while the president and all administrative functional departments are merely spokesmen and executors for the teachers' will. In contrast with this, our institutions of higher education have a large administrative body, comparable in size to the faculty. It has numerous departments, employs a large number of personnel, and possesses enormous power, but its work efficiency is low—this is rarely seen elsewhere in the world. Such a huge administrative and logistic body not only takes up a large part of the scanty education funds, but sometimes infringes upon the faculty's rights and interests. In some schools, there has appeared the weird phenomenon that those who do not teach and engage in research work are controlling those who teach and engage in research work. Seeing this, some insightful people in the higher-education field have raised a cry of warning: Unless we drastically streamline these administrative departments, trim their personnel, develop automation of the administrative work, socialize the logistic service, and give the teachers the status as the masters of the institution, we will never be able to build a first-rate world-renowned university.

5. Faculty. According to UNESCO's statistics, the faculty-to-students ratio in institutions of higher education in foreign countries was 1:11.1 in the early 1950's, 1:1.8 [as published] in the early 1960's, and 1:13.5 in the 1970's. At present, the ratio is generally maintained at 1:15. Even in research-oriented universities such as Princeton, Stanford, Cornell, and Cambridge, the ratio is about 1:10. Moreover, the stringent screening and evaluation system and the effective arrangement for the flow of teachers have ensured the salient features of their faculty members such as having a sound academic background and being younger in age. Compared with them, the faculty-to-students ratio in our institutions, which is generally 1:5 or 1:6, is too low. If the large numbers of administrative and logistic personnel are counted as members of the "faculty," the ratio will be even much lower. What is more, the low faculty-to-students ratio is especially noticeable in old key university. Apart from this, there are a host of faculty-related problems, including overemphasis on seniority, aging of teachers, lack of sound academic backgrounds, appointment based on cronyism, and teachers

working solely in one department. All these have affected, in varying degrees, the improvement of the faculty's overall quality.

6. Evaluation mechanism. In developed countries, with the development of higher-education research, a quality-evaluation system for institutions of higher education is becoming mature and gradually institutionalized. The United States is the most successful in this respect. It has six university accreditation associations. Any institution of higher education, if not accredited by the association, cannot be recognized as a qualified institution, even though it has been approved by the state government. In addition, there are some 150 organizations for evaluating the quality of institutions or the specialty courses offered by them. These organizations are responsible for conducting periodical evaluation of institutions of higher education. They also publish statements ranking the institutions on the basis of their evaluation. Within institutions, it is relatively common for teachers and students to evaluate each other's performance. This is why some people say that American universities are laden with evaluation within and without. It is due to this evaluation that American universities are maintained at their high level and encouraged to compete with one another for prestige. In recent years, China has begun to pay attention to evaluating its institutions of higher education. Evaluation procedures have been adopted by certain pertinent departments and put into practice in some universities on a trial basis. However, such work is still in the experimental stage, and neither the quality of the evaluation work nor the method applied is satisfactory. In most cases, the work done to appraise and compare the quality of institutions remains at the "experience and impression" level and is far from "scientific." Lacking a sound and strict means of evaluation, it is hard to raise and control the quality of our institutions.

The operation of our institutions of higher education has lagged behind the advanced world standards for quality and efficiency. There are gaps in many areas, and some of the gaps are quite wide. The above-cited are just a few big gaps. There is still a long and hard way to go before we can narrow the gaps and bring some of our institutions to a higher level through the implementation of "Project 211." We should make an adequate assessment of the situation and be fully prepared for the work before us.

Armed Forces' 'Needed' Skills Advertised

94CM0181A Beijing DAXUESHENG [UNIVERSITY STUDENTS] in Chinese No 1, 10 Jan 94 pp 59-60

[Article: "Information About Armed Forces' Skilled Personnel Needs"]

[Text] Beijing Military Region

Graduates and undergraduates are needed in the fields of hydrogeology and engineering geology, machine manufacturing technology and equipment, electronic engineering, computers and computer applications, industrial and civilian construction, biochemistry, medicine, mathematics, physics, English language, Russian language, Chinese language and literature, journalism, politics and law, and political theory. Openings exist in scientific research units, institutions of higher education, hospitals, and troop units as scientific research technicians, instructors, military medical personnel, and as military officers and non-military cadres. Jobs are in Hebei Province, Shanxi Province, the Inner Mongolian Autonomous Region, Tianjin, and Beijing.

Unit in charge of receiving graduates: Assignment Office, Cadre Department, Beijing Military Region.

Contacts: Song Gexin and Qin Shaoxuan

Postal Service Number: 100041

Shenyang Military Region

Graduates and undergraduates are needed in the fields of engineering construction design, industrial electric automation, computer application and design, ordnance technology, hydrogeology and engineering geology, communications engineering, radio technology, electronic precision machines, ship and boat electricity supervision, medicine, Russian language, Japanese language, French language, and Chinese language and literature. Openings are mostly in research units, institutions of higher education, hospitals and troop units as research technicians, instructors, military medical personnel, and various kinds of military officers and non-military cadres. The jobs are in Liaoning, Jilin, and Heilongjiang provinces.

Unit in charge of receiving graduates: Assignment Office, Cadre Department, Shenyang Military Region

Contact: Zhang Xiyuan

Postal Service Number: 110013

Lanzhou Military Region

Graduates and undergraduates are needed in the fields of computer applications and design, construction, electronics technology, communications engineering, automation, medicine, maintenance and repair of medical diagnostic equipment, aerial surveying, physics, chemistry, English language, Russian language, Mongolian

language and literature, journalism, and Chinese language and literature. Openings are mostly in scientific research units, institutions of higher education, hospitals, and troop units as scientific research technicians, instructors, military medical personnel, and various kinds of military officers and non-military cadres. The jobs are in Shaanxi, Gansu, Ningxia, Qinghai, and Xinjiang.

Unit in charge of receiving graduates: Scientific and Technical Cadres Office, Cadre Department, Lanzhou Military Region

Contact: Chen Hang

Postal Service Number: 250002

Nanjing Military Region

Graduates and undergraduates are needed in the fields of computers and computer applications, industrial and civilian construction, electronic engineering, communications engineering, electronics technology, radio technology, English language, machinery technology, medicine, political theory, law, and journalism. Openings are mostly in scientific research units, institutions of higher education, hospitals, and troop units as scientific technicians, instructors, military medical personnel, and various kinds of military officers and non-military cadres. The jobs are in Jiangsu, Zhejiang, Anhui, Jiangxi, Fujian, and Shanghai.

Unit in charge of receiving graduates: Cadre and Scientific and Technical Cadre Office, Nanjing Military Region

Contact: Wang Huineng

Postal Service Number: 210016

Guangzhou Military Region

Graduates and undergraduates are needed in the fields of computers and computer applications, computer hardware, architecture, plumbing and ventilation, prospecting, nuclear physics, applied mathematics, biology, medicine, the building of socialism, and English language. Openings are mostly in scientific research units, institutions of higher education, hospitals, and troop units as scientific research technicians, instructors, military medical personnel, and various kinds of military officers and non-military cadres. The jobs are in Guangdong, Guangxi, Hunan, Hubei, and Hainan.

Unit in charge of receiving graduates: Scientific and Technical Cadre Office, Cadre Department, Guangzhou Military Region

Contact: Wu Liezhong

Postal Service Number: 510084

Chengdu Military Region

Graduates and undergraduates are needed in the fields of electronic engineering, computers and computer applications, computer software, communications engineering, architecture, communications and transportation administrative engineering, financial accounting, physics, applied mathematics, medicine, and Chinese language and literature. Openings are mostly in scientific research units, institutions of higher education, hospitals, and troop units as scientific research technicians, instructors, military medical personnel, and various kinds of military officers and non-military cadres. The jobs are in Sichuan, Yunnan, Guizhou, and Tibet.

Unit in charge of receiving graduates: Scientific and Technical Cadre Office, Cadre Department, Chengdu Military Region

Contact: Liu Liangxu

Postal Service Number: 6100111

Navy

Graduates and undergraduates are needed in the following fields: Harbor and waterways engineering, ship and boat engineering, ship and boat communications and navigation, welding engineering and equipment, electric power systems and automation, subterranean engineering and tunnels, bridge engineering, electric power towing and transmission equipment, cranes, transportation, and engineering machinery, marine engineering hydrology, electricity technology, ordnance fire control, communications engineering, engineering survey, aircraft systems, fuels and engines, precision instruments, electronic engineering, refrigeration equipment and cryogenic techniques, optical devices, firearms and gun design and manufacture, automation, systems engineering, high polymer chemistry, electronic instruments and measuring technology, thermal energy engineering, financial accounting, physics, applied mathematics, optoelectronics technology, radio technology, weather dynamics, marine engineering, nuclear reactor engineering, machinery manufacturing technology and equipment, microelectronic circuits and systems, underwater weapons, nuclear powered equipment, communications engineering, motor vehicle utilization engineering, architecture, geology, medicine, English language, Russian language, political theory, and law. Openings are mostly in research units, institutions of higher education, hospitals, fleet units, bases and ordnance plants as scientific research technicians, instructors, military medical personnel all sorts of technical officers on ships and boats, non-technical cadres, and ordnance plant military representatives. The jobs are in Shanghai, Nanjing, Wuhan, Beijing, and in coastal provinces and cities.

Unit in charge of receiving personnel: Assignment Office, Cadre Department, Navy

Contact: Han Guoping

Postal Service Number: 100841

Air Force

Graduates and undergraduates are needed in the following fields: Computers and computer applications, electronics instruments and measuring techniques, machinery manufacturing technology and equipment, machinery design and manufacture, airplane systems, aircraft structural mechanics, space physics, cryophysics, astronomy, machinery technology, warheads, guidance technology, weather dynamics, engineering mechanics, command automation, radio technology, communications engineering, multi-circuit communications, fuels and engines, automation, electronic precision machines, engineering heat treatment, water supply and drainage engineering, electronic engineering, internal combustion engines, magnetism physics and devices, heating and airconditioning engineering, precision instruments, architecture, mathematics, chemistry, medicine, Chinese language and literature, electronics instruction, English language, Russian language, and law. Openings are mostly in scientific research units, institutions of higher education, air force bases, hospitals, troop units, and military ordnance plants as scientific research technicians, instructors, military medical personnel, all kinds of military officers, non-military cadres, and ordnance plant representatives. The jobs are in principal provinces, cities, and autonomous regions throughout the country.

Unit in charge of receiving graduates: Scientific and Technical Cadres Office, Cadre Department, Air Force

Contact: Wang Shouyi

Postal Service Number: 100843

Second Artillery Corps

Graduates and undergraduates are needed in the fields of ballistics engineering, radiation measurement, solid state engines, warhead guidance and control, machinery manufacturing technology and equipment, welding technology and equipment, electricity technology, electronic measurement, electric power generation and supply, applied electronics techniques, communications engineering, carrier wave communications, microwave communications, satellite communications, optical fiber communications engineering, programmable switching, optical devices, architecture, water supply and drainage engineering, geodetic surveying, motor vehicle maintenance and repair, bridge engineering, nuclear electronics and nuclear technology applications, engines, mathematic, chemistry, Chinese language and literature, Japanese language, and philosophy. Openings are primarily in scientific research units, institutions of higher education, and troop units as scientific researchers, instructors, and various kinds of military officers and non-military cadres. The jobs are in 11 provinces, cities, and autonomous regions around the country.

Unit in charge of receiving graduates: Assignment Office, Cadre Department, Second Artillery Corps

Contact: Yu Qunli

Postal Service Number: 10085

**Science, Technology, and Industry Commission,
Ministry of National Defense**

Graduates and undergraduates are needed in the fields of aerodynamics, weather sounding, accelerator physics, spaceflight dynamics, flight mechanics, astrophysics, spaceflight measurement, fluid transmission and control, monitoring techniques and instruments, aircraft design, engineering thermophysics, biomedical engineering and instruments, marine vessel piloting, ship and boat electrical supervision, inertial navigation and inertial navigation instruments, turbine management, computers and computer applications, electric field and microwave technology, image transmission and processing, high polymer materials, machinery manufacture, inertial simulation testing, guidance technology, electronic technology, electronic engineering, radio technology, electronic devices and testing techniques, precision instruments, communications engineering, microwave communications, optical fiber communications, optics, electricity technology, automation, railroad engineering, power generation and supply, thermal energy engineering, heating, ventilation, and airconditioning engineering, microelectronic circuits and systems, high voltage technology and equipment, non-destructive testing, electric power systems and automation, radar engineering, laser physics, radio wave propagation and antennas, hydrogeology engineering, nuclear physics, explosion mechanics, engineering construction, English language, and water supply and drainage engineering. Openings are mostly in scientific research institutes, institutions of higher education, and technical units at test bases as scientific research technicians and instructors. The jobs are in 18 provinces, cities, and autonomous regions.

Unit in charge of receiving graduates: Scientific and technical cadre office, Cadre Department, Science, Technology, and Industry Commission, Ministry of National Defense

General Staff Department

Graduates and undergraduates are needed in the following fields: Computer science, microelectronic circuits and systems, electronic engineering, radio technology, radio wave propagation and antennas, image transmission and processing, artificial intelligence, instrumental analysis, nuclear electronics, machine manufacturing, organic chemical industry, helicopter firing, helicopter engines, ground-to-ground ballistic firing theory, firearms and gun design and manufacture, guidance technology, systems engineering, rocket launch equipment, electrical automation, engineering mechanics, construction materials, tank design and manufacture, automatic control, gyroscopes, data communications and networks,

optical fiber communication, communications engineering, hydrogeology and engineering geology, water supply and drainage engineering, nuclear electronics and nuclear technology application, fluid transmission and control, welding technology and equipment, scientific and technical intelligence, mechanics, high polymer materials, firepower command and control, optical instruments, mathematics, physics, chemistry, medicine, philosophy, history, politics, scientific socialism, international politics, law, and various foreign languages. Openings are mostly in scientific research units, institutions of higher education, and in military representative offices as scientific researchers, instructors, and ordnance plant representatives. The jobs are in 26 provinces, municipalities, and autonomous regions throughout the country.

Unit in charge of receiving graduates: Cadre Department, Political Department, General Staff

Contact: Wang Xiaoping

Postal Service Number: 10034

General Logistics Department

Graduates and undergraduates are needed in the following fields: Boat and ship engineering, computer science, communications and transportation management, construction, electric power systems and automation, petroleum processing, corrosion and its prevention, water supply and drainage engineering, Heating and airconditioning engineering, hydrogeology and engineering geology, engineering survey, cranes, transportation and engineering machines, organic chemical industry, electronics engineering, high polymer material, molecular biology, automatic control, agriculture, machine manufacturing technology and design, materials management, economic management, finance and banking, accounting, biochemistry, nutrition, precision instruments, fluid transmission and control, electronic engineering, scientific and technical intelligence, sanitary environment, English, Russian, Japanese, Marxist theory, history, mathematics, chemistry, Chinese language and literature, and various kinds of medicine and pharmacology. Openings are mostly in scientific research unit, institutions of higher education, hospitals, and logistics technology management units as scientific researchers, instructors, military medical cadres, and logistics technology management cadres. The jobs are in 14 provinces, municipalities, and autonomous regions.

Unit in charge of accepting graduates: Cadre Department General Logistics Department

Contact: Yuan Ansheng

Postal Service Number: 100842

General Political Department

Graduates and undergraduates are needed in the following fields: Philosophy, economic management, scientific socialism, history of the Chinese revolution, criminal investigation, criminal law, international law, economic law, English language, journalism, history, foreign literature, statistics, administration, piano, dance, and gymnastics as instructors in institutions of higher education. The institutions of higher education are in Beijing Xian, Nanjing, and Changsha.

Unit in charge of receiving graduates: Institutions of higher education under the General Political Department Office

Contact: Wang Bixi

Postal Service Number: 100034

Preparedness for High-Tech Naval Warfare Stressed

94CM0177A Beijing JIANCHUAN ZHISHI
[NAVAL AND MERCHANT SHIPS] in Chinese
No 1, 8 Jan 94 pp 2-3

[Article by Vice Admiral Fang Qiang (2455 1730): "Need for High Technology Orientation in Building the Navy"]

[Excerpts] Editor's Note: Thanks to the energetic support of Navy comrades concerned, this magazine has invited several old Navy admirals to write some articles for it. Even though these old admirals are advanced in years, when they speak of the work they have done in building the Navy and their future hopes for the Navy, they are filled with deep feelings. They provide a very good window whereby readers can gain a further understanding of progress in developing the Navy. [passage omitted]

Need To Face Squarely the Ever-Changing International Situation

Since the late 1980s, the international situation has changed very rapidly. One might say that this has been the most complex, most unpredictable, and most tumultuous period since the end of World War II during which a series of unanticipated major events have taken place. This has included changes in Eastern Europe, the unification of the two Germanys, the Gulf War, the civil war in Yugoslavia, the dismemberment of the USSR, and the dissolution of the Warsaw Pact. International tensions have eased, dialogue has replaced confrontation, and peace and development have become the two main themes of the world today. Comrade Deng Xiaoping, who made a scientific judgment of the international situation and the trend of developments based on long observation and analysis, stated clearly that the increase in forces for peace is greater than the increase in forces for war. Although the danger of war exists, with good work, a world war may be postponed. The winning of a long period of a peaceful environment is possible. The

way in which the situation has developed completely confirms this scientific judgment of Comrade Deng Xiaoping.

The current international situation appears favorable for China's development. Nevertheless, some disputes between China and some surrounding nations about territorial sovereignty and maritime rights and interests remain basically unresolved. Differences and disputes will go on for a long time, and may possibly intensify somewhat under certain circumstances. As the international situation constantly changes, the possibility that limited naval warfare will occur cannot be ruled out, first because of hegemonistic aggression, expansion, and provocations; second, in order to recover island reefs that the enemy occupies; and third, to contest marine economic rights. With the development of high technology, a series of high and new technologies such as nuclear energy, electronic computers, spaceflight, micro-electronics, automation, and new materials have irresistibly surged into the navy military realm, and have been translated into weapons and equipment. Therefore, in order to meet the constantly changing international situation, the focus of the Chinese navy must be on modern technology, particularly on preparing for limited wars at sea in which high technology will be used.

Need for a High Technology Orientation in Building the Navy

Jiang Zemin, chairman of the Central Military Affairs Committee, Deputy Chairman Liu Huaqing, and Deputy Chairman Zhang Zhen pay extremely close attention to the winning of a limited high technology war, and they put great emphasis on the study of how existing equipment may be used to defeat a better equipped enemy. We must inculcate confidence about daring to fight and being sure to win; and we must thoroughly understand and study the history of our military forces in using inferior equipment to triumph over enemies having superior equipment, and our Navy's history of daring to fight and holding fast tenaciously. We must be sure to maintain and develop these special strengths.

The position of naval forces in a high technology situation becomes more and more important. The achievements made in combat operations at sea in which naval forces play the main role and other service arms take part frequently exceed those of ordinary sea warfare. Should a military engagement suddenly occur at sea, we will unavoidably face the challenge of high technology limited ocean warfare. Practice has demonstrated that whoever possesses high technology will effectively control the combat area, will seize the combat initiative, and will carry out rapidly orchestrated attacks. In order to contain effectively outbreaks of limited warfare at sea, it is necessary to focus in peacetime on different goals and adopt different tactics in different environments to demonstrate the existence and the role of naval forces. This includes things such as conducting exercises and weapons tests at sea. Visits abroad of naval forces,

regular naval forces exercises, forces deployments, build-ups in combat areas, and participation in scientific expeditions and marine surveys give pause to present and future enemies. They make enemies understand that they will have to pay an enormous price for any infringement of the sovereignty of our territorial sea and marine resources. Thus, such demonstrations play a deterrent role in containing limited wars at sea. Because each battle in a limited war at sea has a direct bearing on a nation's political and diplomatic battles, the outcome of military activities will have an extremely great effect internationally and domestically.

The Navy's "coastal defense" strategic policy requires understanding of trends of development in navy building, emphasis on advanced research, overall planning, long-range planning, greater development of large and medium size vessels suited to the development of China's navy, and making fullest use of the role of submarines and water mines, as well as torpedoes. Submarines are the main force employed in ocean sabotage and guerrilla warfare, and they are also one of the main forces in the conduct of mobile warfare at sea. Sea mines and torpedoes are conventional weapons, but they still are very potent under high technology warfare conditions. During several recent partial wars at sea, they played an astounding role. In high technology warfare, full use must be made of the role of technical personnel. We must use the training of our own personnel and the importation of others in combination. We must tap the knowledge of available talent and fully validate it to build our own large vessels to increase deterrent force. The Navy is a technology-intensive, human talent-intensive service army. Building the navy is a piece of complex systems engineering. Genuine building of a complete naval combat capability requires attention to the building of systems to improve overall integration, and increase overall benefits from the building of the Navy.

Liaoning Civil Air Defense Works Economic Uses
 94CM0193A Shenyang LIAONING RIBAO in Chinese
 2 Feb 94 p 3

[Article by staff reporters Zhao Zhiyuan (6392 1807 6678) and Cui Tiemin (1508 6993 3046): "Underground Great Walls and Buttresses—Liaoning Province's Civil Air Defense Works Become 'Gold-Producing Precious Lands'"]

[Text] The underground civil air defense works, which up to now had been mysterious and silent, are, under the impetus of the market economy, slowly opening wide their thick and heavy gates. According to what was

revealed by a relevant quarter, 52.3 percent of the underground civil air defense works in cities throughout Liaoning have played a role in economic construction, in 1193 posting an output value of 750 million yuan and a profits tax of 110 million yuan.

After liberation, particularly since the beginning of the sixties, because of the necessity for making preparations against war, Liaoning in succession invested huge sums of money in the construction under cities of an enormous concealed system for air defense, forming a huge underground space complete with water, electricity, and air conditioning facilities. However, because of the complex international situation over the past several years and other reasons, for these underground works it was a case of building at one place, closing at one place, and letting one place remain vacant. After reform and opening up to the outside world began, particularly against the background of the trend toward relaxation in the international situation and the putting into practice domestically of the market economy, civil air defense departments at all levels throughout the province, in line with the principle of "integrating peace and war, and serving the economy," gave full play to the superiorities of underground works in being warm in winter and cool in summer, in having wide spaces, and in being near cities; they opened up, one after another, to society the greater part of the civil air defense works, thereby making the fast-asleep underground treasure caves battlefields of economic construction. Now, the civil air defense works throughout the province have already become more than 20 sites of commodity production and business activity. The underground business conducted by Shenyang and Fushun cities, the underground processing and cold storage of marine products done by Dalian and Dandong cities, and the facilities of some other cities for underground aquatic breeding, planting, stockpiling, and recreation are gradually developing into a special industry. The underground market located in front of Shenyang's North Railroad Station has a business area of 23,000 square meters and an annual customer flow rate of more than 7 million persons; last year its volume of business was more than 70 million yuan, becoming a big part of Shenyang's business landscape.

In the process of turning civil air defense works toward the market and service economies, civil air defense departments at all levels insist on making the requirements for preparation against war number one. They strictly manage and safeguard the works for society's by letting them out and other forms, in order to ensure that the works can at any time be put to use for air defense; thus they have achieved a benign cycle in which the "caves" are used both to create wealth and to support themselves.

Deputy COGS Discusses 1994 Military Training
94CM0178A Beijing JIEFANGJUN SHENGHUO
[THE PLA LIFE] in Chinese No 1, 13 Jan 94 pp 4-5]

[Article by Correspondents Liu Shanxing (0491 0810 5281) and Zheng Hui (6774 6540): "Deputy Chief of General Staff, Major General Li Jing (2621 2529), Talks About a New Direction in Military Training Throughout the Armed Forces During 1994"]

[Text] As one year ends and another one begins, this journal's correspondents interviewed Major General Li Jin, deputy chief of General Staff responsible for troop training throughout the armed forces, about plans for doing a good job of military training throughout the armed forces during the coming year.

Pushing aside a thick stack of dispatches and telegrams on his desk, General Li engaged enthusiastically in a cordial exchange with the correspondents.

Correspondent: A new year has begun; spring has returned. Military training of troops throughout the armed forces in 1994 is about to begin in earnest. We would like to ask Deputy Chief of General Staff Li to discuss how troop training at the basic level can be improved.

The General: First, I would like to take this opportunity to extend New Year's greetings via JIEFANGJUN SHENGHUO to comrades throughout the armed forces, particularly to the large numbers of officers and men at the basic level! I want to express warm congratulations and cordial solicitude to the advanced groups and advanced individuals who made a contribution to military training throughout the armed forces during 1993!

In talking about military training during 1994, I would first like to review briefly military training throughout the armed forces during 1993. Overall, thanks to the correct leadership of Central Military Affairs Committee and the common efforts of officers and men throughout the armed forces, military training of troops throughout the armed forces scored some very big accomplishments in 1993. Leading cadres in the Central Military Affairs Committee are satisfied with this. These accomplishments were manifested primarily in the following: First, leaders at all levels paid very close attention to military training work. The central role of military training was rather well expressed, and the understanding of the rank and file of officers and men about the position and importance of military training in the new era was clarified and deepened. The sense of urgency became stronger. Second, was attention to changes in objective circumstances, to advances made in modern warfare, and to realities in the building of China's owned armed forces. Major efforts were made in moving ahead with the study of high science and technology, and both training reforms and the study of tactics was intensified, many results obtained therefrom. Third was extensive efforts to produce instructors and outstanding staff officers having the "three skills" and the "four abilities,"

and to train advanced units. Throughout the armed forces a number of advanced individuals and groups also came to the fore. Fourth was intensification and improvement of ideological and political training in view of the new circumstances and new problems under the socialist market economy. This stirred cadres and men to love the armed forces and cherish their weapons, and to train hard in skills for killing the enemy. Troop training throughout the armed forces was infused with vigor and vitality, a fine momentum of steady development taking place.

Correspondents: What are the overall requirements and the guiding thought in military training throughout the armed forces in 1994?

The General: We will strive to make 1994 a bumper harvest year for training reforms. We must realize clearly that the international situation remains very serious. The world is still not at peace. The possibility of limited wars and armed clashes cannot be ruled out. Our military training is still a long way from meeting the requirements of modern warfare. Specifically, the characteristics of warfare under high technology conditions that the Gulf War revealed pose many new issues for military training. Therefore, the overall requirements for military training throughout the armed forces are to respond to situations as they develop and meet needs in fighting a high technology war, to discharge the basic functions of good military forces, train soldiers well, be prepared to stand up to foreign aggression, and maintain the stable environment needed for the building of socialism. We must adopt a brand new posture, a spirit of reform, and a tenacious work style to complete military training tasks in 1994. We must increase, across the board, the ability of our armed forces to win limited wars employing modern technology, particularly high technology.

As for the guiding ideology, I feel the following five points to be of greatest importance: First is to use as a basic guide Mao Zedong's military thought and Deng Xiaoping's thought about the building of armed forces in the new era. These are the summarization of the experiences of the older generation of proletarian revolutionaries in the building of our armed forces during the past several decades. They serve as the theoretical basis for our good performance of all tasks, and they provide fundamental support for maintenance of a correct orientation in military training. Second is the need for thorough implementation of the instructions of Military Affairs Committee Chairman Jiang of "politically qualified, militarily superb, an outstanding work style, strict and impartial discipline, and strong support." This is the general requirement for our good performance of all tasks, and it is also the combat goal of all military training. Third is the need to focus on the winning of limited wars using modern technology, particularly high technology. This is an objective requirement for the development of military combat now and for some time to come, and it is also a basic point for military training. Fourth is the need to make reform the main line in training. This is a basic means for ensuring that military

training continues to meet circumstances and steadily moves ahead. It is also a basic force for increasing the pertinence of training for outstanding fulfillment of military training tasks. Fifth is the need to apply training laws and regulations, strictly regulating training according to law. This provides important support for better building of regularized armed forces and improvement of training quality.

Correspondent: Deputy Commander Li, you just referred to the need for all military units to devote major efforts, in accordance with Military Affairs Committee leaders' instructions, to improvement of ability to win limited wars using modern technology, particularly high technology. Applied to the basic level, just what are the main things that must be done?

The General: I believe that completion of the new year's military training mission will require that every unit, particularly the rank and file of officers and men at the basic level, show achievements in the following several regards:

First is the need to reform training in a positive and innovative way so that military training will be better able to meet the needs of modern warfare. Despite the numerous achievements made during 10 years of training reforms, which have spurred the development of military training, we still must realize that military matters constantly change. Old problems are solved only to have new problems appear. This is a basic law of the development of things. This applies to military training as well, and it requires that advances must be sought in the course of steadily solving new problems. Current events show fundamental changes have taken place in the strategic world situation. Science and technology have developed rapidly, and have been widely applied to the military realm. The weaponry, military thinking, and combat style of military forces of all countries have developed substantially. Consequently, modern warfare has a high technology character, which poses new challenges for military training. Responding to circumstances and meeting challenges requires that officers and men throughout the armed forces focus on the new circumstances and new features of military combat under the new circumstances. They must rouse themselves to vigorous efforts, study assiduously, carry on traditions, dare to innovate, and link training to practice. They must boldly reform the content, the organization, the methods, the techniques, the management, and the support of training. They must find new tactics and new training methods that meet the needs of combat under the conditions of modern technology, particularly high technology.

Second, cadres in general, and key cadres in particular, must strive to improve military quality. They must improve the organization of training and ability to lead troops in battle. Basic level military officers and squad leaders are the ones who organize and lead the military training of units at the platoon and squad levels. They are the ones who must carry out instructions from above.

Troop training depends on their organization and implementation. The military caliber and the organizational abilities of basic level officers and squad leaders have a direct bearing on the quality of military training. Therefore, major efforts must be put into the improvement of military quality and organization and command skills. I hope that our basic officers and squad leaders will study diligently Mao Zedong military thought and Deng Xiaoping thought for the building of armed forces in the new era. This is the basic way to master the standpoint, the point of view, and the methods of the older generation of revolutionaries in building the armed forces and directing combat to establish a correct combat outlook and methodology. They must strive to study modern science and technology. This is a required course in the study of modern warfare and mastery of modern warfare. Diligent study of modern military thought, combat theory, and command techniques are important ingredients in improving the level of military training and increasing organizational and command skills. Efforts during this year must bring about new changes in cadres in general and key cadres in particular.

Third is the need for diligent study of military skills to improve units' basic quality and live warfare capabilities. Superb military skills and specialized skills are the product of scientific training in combination with diligent training. Officers and men throughout the armed forces must employ scientific methods in the training of soldiers. They must put major efforts into activities for the rigorous training of crack troops. New soldiers entering the armed forces in 1994 must be given a good grounding in political ideology, military skills, work style discipline, and physical condition. Old soldiers must receive training that makes them jacks of many trades and masters of one, efforts made to improve their ability to carry out combat tasks. We must continue activities that produce "sharpshooter riflemen, sharpshooter gunners, and skilled technicians," and instructors and staff officer professionals having "four abilities" to provide superb training personnel. We must improve combat logistics training, live ammunition, live explosion, and live input training, and psychological training. Units having requisite conditions must train personnel to swim while carrying weapons and bayonet training. The difficulty and intensity of training must be increased. Bivouac training must be organized in a planned way, training given to provide skill in fighting, eating, living, and hiding while on the move. The nighttime training times and requirements that training plans provide must be followed to provide combat training using nighttime techniques. Combat exercises above the platoon level must be conducted continuously day and night in an effort to improve troops ability to fight under modern technology, particularly high technology, conditions.

Fourth is the need to intensify coordinated training for constant improvement of the total warfare capabilities of all service arms and branches of service. Integrated training and combined warfare are important trends in modern warfare, and they are also important tasks in the

intensification of reform. All service arms and branches, and all specialties must improve their sense of being part of a whole and their outlook on the overall situation. By training level by level, working in coordination level by level, and shaping a total combat capability level by level, they can first bring about a coordination of forces within their own branches of service and service arms, and then bring about a coordination of all branches of services in all service arms. They must lay a foundation around the combining of forces to learn skills based on tactics. Through sustained efforts, they can raise the combined combat capabilities of China's armed forces to a new level.

At the end of the interview, Deputy Chief of General Staff Li asked the correspondents to tell all military commanders the following through JIEFANGJUN SHENGHUO: "The whole year's work depends on a good start in spring." He hopes that units throughout the armed forces will painstakingly plan and carry out training during the coming year in accordance with instructions from the Central Military Affairs Committee and the General General Staff, make full ideological preparations, organizational preparations, teaching preparations, and material preparations to do a good job of training, and ensure that units begin training on time, thereby creating good conditions for satisfactory fulfillment of military training tasks in 1994.

Public Security Situation Tied To Economic Growth

94CM0131A Hong Kong TANG TAI
[CONTEMPORARY] in Chinese
No 33, 15 Dec 93 pp 51-53

[Article by Hai Chao (3189 6389): "Rapidly Deteriorating Public Security Situation in China—A View of the National Situation Based on a Study of Conditions in the Largest City, Shanghai"]

[Text] Reform has promoted economic development, but it has also intensified social conflicts, so that crimes such as brutal murders, disfigurement, and kidnapping which never or rarely happened in the past are now happening in China's largest city—Shanghai.

Reform and opening up and the development of the socialist market economy have brought life and vitality to the nation's growth on the one hand but have also posed a serious challenge to the nation's public security. This article uses Shanghai as an example to bring up some national issues.

Rising Trend of Serious Crimes

According to statistics compiled by Shanghai's Public Security Department, the number of criminal cases had declined somewhat in 1992 compared to previous years, but the number of serious crimes had increased. Between January and June of this year, there were 8,535 criminal cases, a 13.5 percent increase, but there were 4,303 serious crimes, a 38.4 percent rise compared to the same

period a year ago, which was fairly substantial. Murder, robbery, rape, fraud, theft, and drug trafficking and other major crimes also increased by varying degrees. Crimes such as brutal murders, disfigurement, and kidnapping which never or rarely happened in the past are happening today. Serious crimes endanger the lives and properties of the people, jeopardize economic construction, and seriously undermine social stability.

Crimes Are Mostly Committed by Drifters

According to the relevant departments, currently Shanghai has a mobile population of around 2.5 million people. The undesirable elements and drifting criminal elements among these outsiders are posing a serious threat to Shanghai's public security. From January to July of this year, the municipality arrested 4,975 criminals who were from outside of the area, 2,526 of them for committing serious crimes. These represent increases of 75.5 percent and 82.3 percent respectively. Of the total number of criminals, 53.1 percent were from outside of the area, and among those responsible for serious crimes, 52.4 were outsiders. These represent increases of 10.3 percentage points and 10.5 percentage points respectively compared to the same period last year. In terms of vicious crimes, the absolute number of murders, robberies, rapes and other vicious crimes committed by outsiders has increased 82.1 percent compared to the same period last year; in terms of crimes committed by gangs, nearly half were committed by gang members from outsider the area.

In the course of reform, social contradictions and instability have become prominent factors. They have become very serious in some instances.

Intensified Social Contradictions Lead To Violations of the Law and Crimes

1. Contradictions occurring as enterprises change their operating mechanisms: Statistics compiled by the municipality's relevant departments show that currently, 5,600 of the municipality's enterprises have changed their operating mechanisms. Among the 2.17 million workers in these enterprises implementing the whole staff labor contract system or the employment contract system on a trial basis, there are 107,000 laid-off workers and 34,000 workers looking for work; they account for 5 percent and 1.6 percent, respectively, of the total work force. Reform will continue to deepen this year, and the number of laid-off and unemployed workers will continue to increase. Based on the estimated figures of 6 percent laid-off and 3 percent unemployed workers, out of the municipality's 4.2 million workers, there will be 250,000 laid-off and 120,000 unemployed workers. Because the reform is broad in scope and massive in impact and the economic system is in the midst of being restructured, traditional concepts will still have some impact, and in addition, some enterprises have not been doing a good ideological work nor handling the relationship between cadres and the masses properly,

nor have they made proper arrangements for the workers, and so the contradictions caused by enterprises' changing mechanisms are quite serious. Some workers left destitute have repeatedly appealed to the higher authorities for help.

2. Contradictions caused by land leases that forced people to move from one place to another: First, group appeals have increased. Second, the residents are moving en masse, creating many contradictions in their work, study, and everyday life and causing dissatisfaction. Third, arguments have erupted within some families over who got better housing or more properties, and these in turn have led to family feuds and disputes. Lastly, in the land leases, some enterprises and institutes are moving entire plants, but mistakes in hammering out the agreements or resolving the property rights have resulted in lawsuits and so on.

3. Negative and corrupt phenomena are a major factor contributing to social instability.

The negative and corrupt phenomena the masses object to the most today are the following:

- a) The practices of abuse of power for private gains and trading power for money have made a comeback under the new conditions. In some law enforcement and supervisory and administrative departments, there is a serious problem where a handful of workers have to be bribed to work; some do a haphazard job even after they are bribed, and some make up all kinds of excuses to extort payments and so on.
- b) Some people eat, take, withhold, and make demands; they spend public funds on entertainment, gifts, and trips, and they squander and waste money. Their entertainment and gift-giving are increasingly more extravagant: their dinners often cost several thousand yuan and their gifts are expensive, with increasing "gold content."
- c) There is growing resentment among the masses toward formalism, bureaucracy, and fraud and trickery, but little is done about them. Enterprises are subjected to a lot of useless evaluations and examinations, but problems that affect the masses' immediate welfare just drag on and are never resolved. Contract management is riddled with fraud and trickery, and the use of deceptive means to gain profit and fame is commonplace.
- d) Problems are emerging in new territories: In the real estate market, taking advantage of the randomness in who may lease land and for how much, some people are giving and taking bribes; malpractices for personal gains are common. Some government departments have been converted to intermediary organs after given new functions; everybody must go through them in order to obtain a license or have a project approved by the

appropriate department. Nothing will get done without paying off the middle-men. A handful of government employees have joined the ranks of agents to get into the market, using their official position and power to recruit business and earn commission and payoffs. Meanwhile, some people take advantage of the lecture circuit or news media to broadcast false information and mislead stock market trends as ways to profit themselves.

Economic Crimes Are Getting Increasingly More Serious

1. Corruption, bribery, misappropriation of public funds, and other economic crimes among state workers are common. Ordinary crimes have declined, but serious crimes have increased. According to data compiled by the Shanghai Municipal Procuratorate, between January and May of this year, there were 168 major cases of corruption, bribery, and misappropriation of public funds. They accounted for 71 percent of all cases filed, an increase of 30 percentage points compared to last year for the same period. The biggest corruption case involved more than 5 million yuan, and the biggest case of misappropriation of public funds involved 3.07 million yuan.
2. Crimes are showing up in the stock and securities exchanges. The municipal procuratorate's statistics show that between January and May of this year, there were 16 stock-related criminal cases. Among them were 12 cases where employees in bank security departments were taking advantage of their position to engage in stock speculations. As much as 11 million yuan were involved in those crimes.
3. Public security problems are emerging as the stock market develops: First, it has triggered criminal offenses. Based on the public security department's incomplete data, between August 1990 and May 1992, there were a total of 70 stock market-related criminal cases. Second, there are hidden security problems. Between August 1990 and May 1992, there were 28 public security-related cases in the vicinities of Shanghai's stock market. The majority were cases involving fights that broke out in the black market exchange of stock subscription certificates and traffic problems and so on. Third, there are new social conflicts. In particular, there has been an increase in civil suits and economic disputes related to the buying and selling of stocks. Data compiled by the court system show that the municipality's courts handled a total of 102 stock-related disputes in 1992.
4. Debt-related disputes have continued to increase. Statistics show that from July 1992 to March of this year, in excess of 400 million yuan were involved in cases mediated by the economic dispute mediation center of the municipality's courts. Most of the disputes involved payments in arrears in business transactions and loans for trips taken abroad and so on.

5. Trademark infringement cases have multiplied. Counterfeiting well-known, fine products and trademarks has become an important way for some enterprises to compete and reap exorbitant profits. Between January and May of this year, 26 trademark infringement cases were filed, accounting for 10.9 percent of all cases filed, and it was 3.7 times more than the number filed last year during the same period. Prior to the East Asian Games, a random check of 1,352 businesses on Fourth Street showed that 560, or 41.4 percent, were selling counterfeit products.

Failure To Curb Prostitution Despite Bans

1. For the sake of money, some unscrupulous people are circulating low-class, crude, lewd, and obscene "spiritual products," corrupting people's souls. According to the municipality's music and video control department, in 1992, more than 40,000 illegal video tapes and more than 30,000 illegal audio tapes were seized; 184 vendor's stalls were shut down, and 40 people were arrested by the public security department—14 of them have been sentenced. In examining 8,390 video tapes (containing 10,285 shows,) 5,981 shows, or 57.8 percent, were deemed obscene. In May of this year, the municipal public security bureau together with the industrial and commercial bureau uncovered a case involving the sale of pornographic films; a batch of such films were seized.
2. Despite concentrated rectification efforts year after year, prostitution, although curtailed to some extent, still has not been swept out, and in some places, is still spreading and growing. In 1992, more than 3,000 women and more than 800 procurers of prostitutes were rounded up and sent to undergo reeducation. Between January and June of this year, 792 cases involving prostitution were investigated and processed; 1,585 people were arrested. Particularly serious are the pornographic and gambling "services" provided in some public places: Some dance halls provide closed KTV boxes and have bikini-clad girls put on shows to attract customers. Despite the municipal party committee and the municipal government's repeated orders banning the "three services," many places are still secretly doing this type of "business."
3. The manufacturing, trafficking, and taking of drugs and illegal growing of drug-producing plants are still a serious problem. From January to April of this year, the municipality investigated and prosecuted 40 such cases; 55 people were arrested, and 470,000 illegally-grown opium poppy plants were eradicated.
4. The management and administration guiding ideologies of some cultural and entertainment centers are flawed. First, some guest-houses, hotels, and inns are only concerned about their occupancy rate and profit and are disregarding the issues of social benefit and clean social environment. They ignore regulations, fail to register guests, and are remiss in management. Of the 229 prostitution-related cases in Xuhui District, 92, or 40 percent, took place in the guest-houses and hotels. Second, amid the intense market competition, some plant supervisors and managers have developed unhealthy management ideas and are providing immoral services as a means to promote their products and negotiate business and are offering substantial financial rewards to abet and entice young girls to sell their looks and even their bodies.

Taiwan Economic Summaries 10-23 Mar

OW3003035794

[Editorial Report] Following are summaries of reports on economic developments in Taiwan culled by Okinawa Bureau from Taipei CHING CHI JIH PAO (ECONOMIC DAILY) in Chinese (10-23 March 1994 issues).

International**Finance Minister Views Taxes, Investment With Indonesian Counterpart**

Finance Minister Lin Chen-kuo held talks with his Indonesian counterpart Muhammad in Honolulu on 17 March. During their talks, Indonesia promised to allow the establishment of Taiwan-invested banks, whereas Taiwan will help promote Indonesian goods in Taiwan. Lin Chen-kuo told Muhammad that Taiwanese enterprises had invested \$4 billion in Indonesia. Lin also said that if a treaty of mutual income tax exemption could be signed, more Taiwanese businesses would invest in Indonesia; Muhammad shared the same view. The second round of Taiwan-Indonesia negotiations on mutual exemption of income tax is slated for 8 April. (Taipei CHING CHI JIH PAO in Chinese 19 Mar 94 p 1)

Cabinet Views Cooperation With Thailand, Indonesia, the Philippines

Premier Lien Chan invited Vice Premier Hsu Li-teh, Economic Minister Chiang Ping-kun, Foreign Minister Chien Fu, and other cabinet members to a meeting on 9 March, discussing programs for cooperating with and investing in Thailand, Indonesia, and the Philippines, as proposed during President Li Teng-hui's visits to these countries. Programs considered include land development, agricultural cooperation, occupational training, establishing a Chinese school in Thailand, and investment in the petrochemical, sugar refining, and pharmaceutical industries. Taiwan will also seek to sign investment guarantee agreements with the three countries. Premier Lien ordered the Research, Development and Evaluation Commission to follow up on the implementation of these programs and present their findings to the president within three months. (Taipei CHING CHI JIH PAO in Chinese 10 Mar 94 p 1)

Taipei's Exports To PRC Valued at \$12.8 Billion in 1993

According to statistics of the Board of Foreign Trade [BOFT], Taiwan's 1993 export value to the PRC totals \$12.8 billion, 14.88 percent of the total export value—a sharp increase from 7.71 percent in 1992. This is the first time that Taiwan has included the value of cargo and goods transiting via Hong Kong in its figures on exports to the PRC; hence the drastic increase in the export value to \$12.8 billion, which is very close to the \$12.9 billion figure given by the PRC. Economics Minister Chiang

Ping-kun said that most exports to the PRC were capital goods such as raw materials and machinery. (Taipei CHING CHI JIH PAO in Chinese 18 Mar 94 p 2)

Petroleum Company Plans To Build Industrial Zones in Indonesia, SRV

In response to the government's "southbound policy," the China Petroleum Corporation [CPC] is considering moving its facilities overseas by building a petrochemical industrial zone in Indonesia and Vietnam, thus establishing a trade network there to help Taiwan businesses move into Southeast Asia. Earlier this year, the CPC signed a \$1.3 billion contract with Vietnam to build an oil refinery there. (Taipei CHING CHI JIH PAO in Chinese 21 Mar 94 p 6)

Taipei Lifts Ban on Textile Investments in PRC

The Industrial Development Bureau has initially decided to allow indirect investment in restricted textile items in the PRC. The ban on 325 textile items—including wool, cotton yarn, and cotton cloth made of synthetic fibers—will be lifted. At the same time, indirect imports of most garment items will be allowed. (Taipei CHING CHI JIH PAO in Chinese 16 Mar 94 p 6)

Ministry Draws Up Plan To Strengthen Economic Work in Southeast Asia

The Ministry of Economic Affairs of the Republic of China [ROC] and other relevant units have drawn up an outline to strengthen economic work in Southeast Asia, which includes the Philippines, Thailand, Malaysia, Indonesia, Singapore, Brunei, Vietnam, Laos, Cambodia, and Burma. The outline includes the following goals: 1) actively expand two-way trade and technological cooperation with Southeast Asian countries; 2) help Taiwan businesses find production and marketing centers in the Southeast Asian region and expand economic activities there in order to reduce investment and trade overdependence on the PRC; 3) enhance Taiwan's relations with Southeast Asian countries; 4) strive to participate in the activities of economic organizations in the Southeast Asian region. (Taipei CHING CHI JIH PAO in Chinese 12 Mar 94 p 2)

National**Planning Council Says Annual Per-Capita Output Value Increases**

The Council for Economic Planning and Development [CEPD] under the Ministry of Economic Affairs pointed out on 11 March that the annual per capita output value of Taiwan's manufacturing industry has risen to \$NT2.197 million [\$84,500] from \$NT1.416 million [\$54,460] in 1989, indicating that manufacturers have switched from the development of labor-intensive industries to technology-intensive ones. (Taipei CHING CHI JIH PAO in Chinese 12 Mar 94 p 2)

Economic Minister Holds Forum With Electric Appliance Makers

At a forum with members of the Taiwan Electric Appliance Manufacturing Association on 16 March, Economic Minister Chiang Ping-kun confirmed that the division of work between industries on the two sides of the Taiwan Strait is conducive to increasing the competitiveness of Taiwanese goods, and promised to allow imports of more semi-manufactured goods and component parts from the PRC and to ease restrictions on visits by PRC businessmen. Responding to suggestions on allowing direct cross-strait cargo shipments and setting up a cross-strait free trade zone, Chiang noted that the Ministry of Economic Affairs [MOEA] had drafted a program on shipping services between designated points on the two sides, but for political reasons it is not likely to be realized in the near future. (Taipei CHING CHI JIH PAO in Chinese 17 Mar 94 p 12)

Directorate Announces Figures on Imports of Technology

The Directorate General of Budget, Accounting, and Statistics [DGBAS] under the Executive Yuan said on 16 March that Taiwan's technological imports amounted to only \$520 million in 1991, lower than South Korea's \$1.18 billion, and far below the figures of other countries like the United States, Germany, and Japan. The DGBAS noted that Taiwan manufacturers' unwillingness to import high technology will affect the pace of

technological upgrading on the island. (Taipei CHING CHI JIH PAO in Chinese 17 Mar 94 p 2)

Executive Yuan Says Economy To Grow by 6.32 Percent This Year

Taiwan's economy is expected to grow 6.32 percent this year, the Executive Yuan told lawmakers at a meeting on 10 March. According to the Yuan, Taiwan's GNP was \$220.2 billion in 1993, ranking 20th in the world, while per capita income was \$10,566, ranking 25th. Fueled by the upturn in the world economy, Taiwan's economic growth rate may reach 6.32 percent this year, higher than last year's rate, 5.74 percent. (Taipei CHING CHI JIH PAO in Chinese 11 Mar 94 p 2)

Trade Board Says Benefits of GATT Entry Would Outweigh Losses

The Board of Foreign Trade [BOFT] has released a report on the effects of GATT entry on Taiwan's manufacturing industry. According to the report, if tariffs are lowered by 10 percent, Taiwan's manufacturing industry will suffer a loss of \$NT3.1 billion [\$120 million], but its consumers will benefit by as much as \$NT4.7 billion [\$180 million]. The BOFT said the economic benefits from Taiwan's GATT entry will outweigh economic losses, except for household appliances and automobiles, the economic benefits of which will be slightly smaller than the corresponding losses. (Taipei CHING CHI JIH PAO in Chinese 10 Mar 94 p 2)

Editorial Comments on Survey of Civil Service*HK2702084894 Hong Kong SUNDAY HONGKONG STANDARD in English 27 Feb 94 p 6***[Editorial: "Room for Confidence in Civil Service"]**

[Text] A survey conducted by eminent commentator on public affairs Dr Joseph Cheng at the City Polytechnic has raised some alarm in some quarters about staff morale in the civil service. More than 1,00 directorate-grade officers were asked about their plans. Thirty five per cent said they wanted to leave government service after 1997. Also, 60 per cent trusted the monitoring role of the Legislative Council, saying they would find it difficult to adjust to China sovereignty, against 17 per cent expressing confidence in the accountability of the China authorities. The overall conclusion seemed to be a negative one where civil servants' confidence in the future is concerned. "There is strong resentment against political interference from China," the poll found. "A sense of impotence is evident among senior bureaucrats."

In the light of the division in the civil service, as in the public—occasioned by the ongoing Sino-British tug-of-war—the survey was not altogether surprising. But there is no need to panic. One aspect of the statistics is interesting and could have some hidden meaning. The results said that 77 per cent of those surveyed held foreign passports—66 per cent of these being of the exclusively "home" British variety. It is to be assumed that those intending to leave the civil service will not be lost to Hong Kong completely but will be seeking opportunities in the private sector.

Ideology

But even should the 350-odd senior-rankers make good their intention, there should be no undue cause for alarm. There are substantially more people in the civil service with commitments to Hong Kong as a place secure and stable enough for a contented livelihood, than those influenced by ideology.

Throughout the 45-year history of this newspaper, we have constantly observed and remarked on the ever-inflationary trend of the government bureaucracy. It has been our view, that the government tended always to ensure its own safety in numbers, disregarding the consequences to taxpayers.

In recent years, and as we grind on towards 1997, there have been more reasons for the government to enlarge and fatten itself, this time with less inhibition—the public is preoccupied with successive political crises. The civil service and its problems are a rice-bowl issue that should command a higher priority. Government service today is the envy of many wage earners.

It is not convincing to the average man in the street, that government employment with all its protective and even pampering perks, will not be able to retain or attract

what Hong Kong needs to maintain its civil service at the present par of efficiency at least.

There is nothing worthwhile without some amount of risk. Government service is worthwhile. Furthermore, the risk is clearly addressed in the assurances which the Basic Law provides.

Poll on Attitude Toward Release of White Paper*HK2702084794 Hong Kong SUNDAY HONGKONG STANDARD in English 27 Feb 94 p 2***[By Rita Tsang]**

[Text] The government's release of the White Paper on Sino-British talks failed to grab Hong Kong people's imagination, a SUNDAY HONGKONG STANDARD street poll held in Central yesterday reveals. None of those polled had actually read the document. We asked Saturday shoppers these three questions following the release on Thursday of the White Paper, giving details of talks over the territory's future in preparation for reunification with the mainland in 1997:

—Have you read the White Paper?

—Do you feel that China stalled the talks?

—What do you feel the next move should be in the current standoff between the Chinese and the British sides?

Marie Ng: "I didn't read the White Paper. I think both sides are responsible for the talks. The Chinese government is a dictatorship. Although the British have given a good impression, we know nothing about the negotiations. I hope they will go back to the table soon."

Rainbow Chow: "I didn't read the White Paper. I don't know which side should bear the responsibility, but I don't like the Chinese officials because they are always critical and ungracious. I hope both sides will open talks soon."

Danny Law: "I didn't read the White Paper. I felt that both sides stalled the talks. There seems to be no way to come an agreement if other countries can intervene."

Collins Barron: "I haven't read the White Paper yet. Both sides should bear responsibility. I hope the negotiations will be opened as early as possible."

Eric Winkler: "I didn't read the White Paper. This is a cultural misunderstanding, so the two sides need to understand each other. There is not much chance for China to improve its democracy policy because Deng Xiaoping is the boss now. I really hope the two sides will be back to the talks in future."

James Lam: "I didn't read the White Paper. I think that they had better stop arguing and both sides should compromise and make mutual concessions in order to ensure stability and prosperity in the territory after 1997."

Ken O'Byrne: "I didn't read the White Paper. Both sides should take responsibility because different people have different ideas and opinions. I wish the talks would go ahead soon."

Merlida Dallo: "I didn't read the paper. I think China stalled the talks and should bear all the responsibility. I don't trust the Chinese government."

Health Department Reports Surge in Hepatitis Cases

*HK2803073094 Hong Kong EASTERN EXPRESS
in English 28 Mar 94 p 6*

[By Susie Weldon]

[Text] Viral hepatitis infections surged in 1992, with more than twice as many cases recorded as in the previous year, according to statistics just released by the Department of Health. More people were also diagnosed as having sexually transmitted diseases, died of lung cancer and heart disease, or were admitted to hospital because of injury or poisoning.

The department's annual report for 1992-93 shows that 4,357 hepatitis cases were reported in 1992 compared with 1,801 in 1991. Almost all were hepatitis A, 157 were hepatitis B and 301 were classified as neither A nor B. The report said the infections were due to eating raw or badly cooked seafood from Hong Kong's polluted waters. Other figures in the report show Hong Kong people died from the same serious diseases, in about the same proportions, in 1992 as in the previous year.

The biggest killers were cancers, heart diseases and cerebrovascular diseases, which together accounted for almost two-thirds of all deaths. As in the previous year,

lung cancer killed more men and women than any other tumour, causing 2,761 deaths in 1992. Most of these were due to smoking, the department said.

Liver cancer and nasopharyngeal cancer were the second and third most common tumours among men, compared to breast and colon cancer among women. Although slightly fewer people died of a heart attack in 1992—1,785 men and women—overall deaths from heart disease rose by about 400, to 5,359.

More babies died in that year because they were born too small. Almost 24 percent (83 deaths) of infant mortalities in 1992 were blamed on immaturity, compared with about 15 percent (67 deaths) the previous year.

A staggering 82,800 patients were treated in hospital because of injury and poisoning in 1992, making the category the leading cause of hospital admission. Of the 1,693 deaths from injury and poisoning—the fifth biggest cause of death in 1992—almost 45 percent were self inflicted or due to suicide. The other main causes of hospital admission were circulatory diseases (67,800), cancer (65,000) and normal delivery (54,600).

Nearly 3,000 more people were diagnosed with sexually transmitted diseases in 1992, making a total of 13,257 cases. Almost 60 percent of these were in men aged between 20 and 40 years. One man died from syphilis.

More than 5,000 people were treated in hospital for "the effects of a foreign body entering through orifice," while about 2,560 were admitted because of complications arising from previous medical or surgical care.

Doctors were unable to diagnose the illness in about 11,300 cases. Almost 3,400 people died because they were killed or fatally injured by other people. One person died because of injuries resulting from "operation of war" in 1992, the report says.

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